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Labour, green issues block India-EU FTA

YOGIMA SETH SHARMA

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INDIA-EU free trade negotiations have got more complicated, literally. This time round it is on labour and environment issues.

EU is now seeking India's commitment on sustainable development chapter that deals with social and environmental issues.

This has come at a time when the two countries are yet to arrive at a consensus on a host of issues like lowering of tariffs on wines and automobiles in India and opening up services sector in Europe.

"We don't want that free trade agreement between India and EU should facilitate issues of child labour. Hence, for the first time an official team of European Union discussed the issue of sustainability development with Indian counterparts during their recent visit to India," Joao Cravinho, EU's ambassador to India said on sideline of a Ficci meeting with members of European Parliament on India-EU FTA.

The trade and sustainability chapter calls on European Union and India to ensure that trade and FDI are not encouraged at the cost of lowering environ-

India and EU have been negotiating the bilateral trade and investment agreement

mental, core labour or occupational health, safety standards legislation and allows for adequate monitoring of observation of

such standards. It also insists on ratification and effective application of basic conventions of International Labour Organisation. According to Cravinho, all free trade agreements that EU have with other countries deals with development chapter and therefore we are insisting that India should also comply with these as part of the overall trade negotiation package.

"Both India and EU are signatories to various international organisations and I don't think that FTA will go beyond international obligations. Hence, it should not be a problem for India to comply with these obliga-

tions and we hope to see some breakthrough at the next political-level meeting in June," he added.

India, however, feels that such issues should not be taken up during trade negotiations. "While it is important to discuss and settle social and environmental issues, we feel that the legally binding intrusive issues like child labour, pollution and emission should not be part of the FTA," Shiv Shankar Mukherjee, former high commissioner to UK and at present international advisor to Ficci said.

yogimassharma
@mydigitalfc.com