

# UK-India free trade talks to get push after delays

## Need Finmin To Show Flexibility On Model Investment Deal

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### EYES ON SCOTCH LEVY

➤ Over the last few years, model Bilateral Investment Promotion Agreement has proved to be a stumbling block for several countries

➤ India-UK free trade agreement has been delayed after Rishi Sunak took over. Some ministers in his government have been raising issues that have impacted negotiations

➤ Now, trade issues are on

way to be sorted out after discussions at the level of the two prime ministers

➤ Issue of reduction of duties on Scotch, at 150% needs to be resolved. A higher concession is likely for Scotch that is imported in bulk and bottled in India

➤ No clarity on how government addresses demand for a liberal FDI ceiling for telecom



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Government sources indicated that the trade issues are on their way to be sorted out after discussions at the level of the two prime ministers. Over the last few weeks

at least two high ranking officials from the UK have been in India, with one of them meeting commerce and industry minister Piyush Goyal.

While most issues on the trade front had been resolved, the one remaining aspect was the reduction of duties on Scotch, which is

currently at 150%. The UK wants it halved but the deal will make a distinction between bottled and unbottled imports. A higher concession is likely for Scotch that is imported in bulk and bottled in India, sources indicated.

While some large Indian corporate houses had indicated their concerns over reduction in import duties on automobiles and other industrial goods, officials indicated that most of these issues have been resolved as both countries are keen to finalise an agreement in the coming two months or so.

There is, however, no clarity on how the government addresses the demand for a liberal foreign direct investment ceiling for telecom as it was one of the issues on which Indian negotiations were playing tough.

**New Delhi:** Talks with the UK for a free trade agreement (FTA) seem to have made progress after discussions at the top level, with officials suggesting that things could move swiftly over the next couple of months, provided the finance ministry shows some flexibility on the model Bilateral Investment Promotion Agreement (BIPA).

Over the last few years, the model BIPA has proved to be a stumbling block for several countries, with the issue likely to be of concern to the EU too, whose members had flagged their concerns even earlier.

The agreement, which was to be finalised by last Diwali, but has been delayed following the change of guard in the UK, especially after Rishi Sunak took over, as