

## India keen on investment, trade talks with European Union

### Synopsis

Keen to accelerate investments, technology and capital flows from the EU, India wants the investment and trade deals to happen parallelly and independently. “Both the investment deal and trade deal will have to happen parallelly and independently,” said an official.



Representative image

NEW DELHI: India wants to start negotiations on an **investment deal** with the **European Union** simultaneously with a trade agreement in a renewed push to boost bilateral ties with the **trade bloc**.

Keen to accelerate investments, technology and capital flows from the EU, India wants the investment and trade deals to happen parallelly and independently. “Both the investment deal and trade deal will have to happen parallelly and independently,” said an official.

The EU has said it is ready to consider launching negotiations on a standalone investment protection agreement, which would increase legal certainty for investors on both sides.

Negotiations for a broad-based **Bilateral Trade** and Investment Agreement (BTIA) started in 2007 and were suspended in 2013.

The BTIA talks collapsed over certain EU demands such as greater market access for automobiles, wines and spirits, and further opening up of India’s financial services sector such as banking, insurance and e-commerce.

On the other hand, India is keen to get preferential access for its textile exports to the EU as it faces competition from Bangladesh, Vietnam and Sri Lanka.

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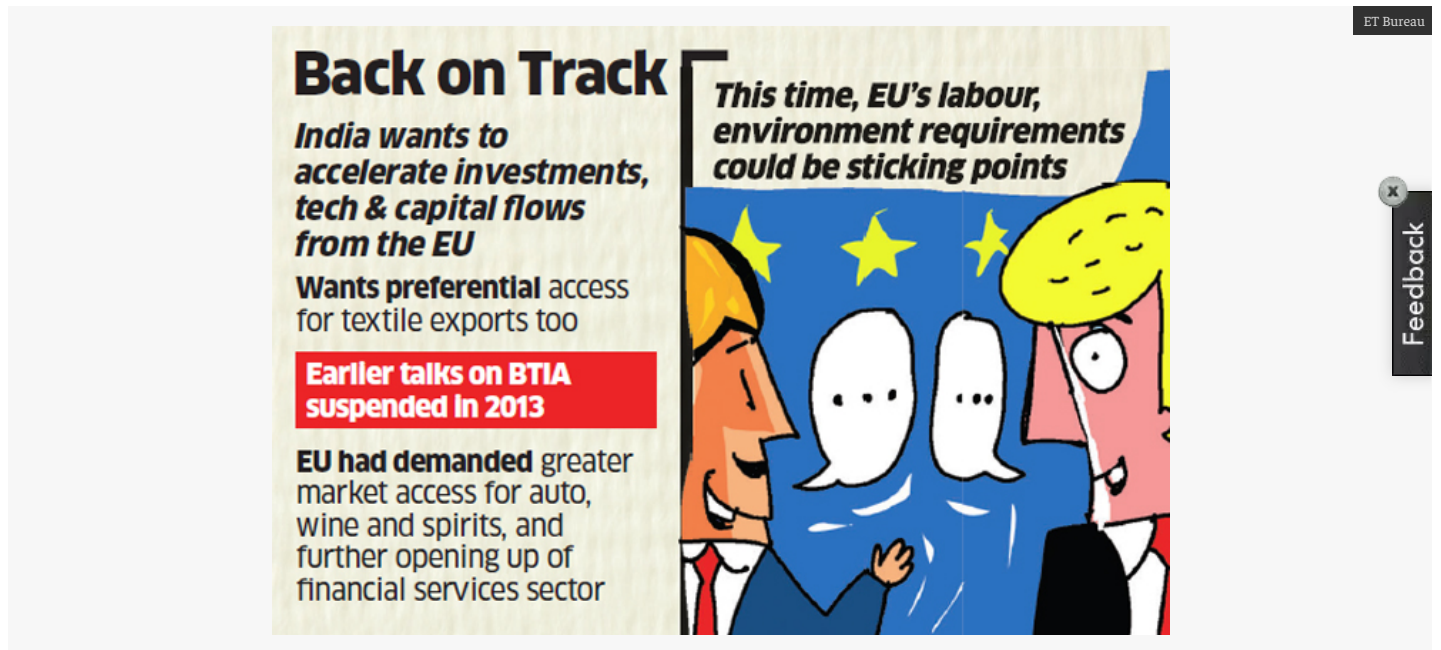
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The EU also wants labour, environment and government procurement to be included in the talks with its trading partners, and a comprehensive trade and sustainable development chapter in order to deal with the social and environmental impact of trade.

However, experts said the EU’s requirements on labour and environment could be the sticking points in its talks with India.

“Sustainability standards and labour requirements should be our red lines. Moreover, the EU is unlikely to give us the status of a data secure nation,” said an expert.



**Back on Track**

**India wants to accelerate investments, tech & capital flows from the EU**

**Wants preferential access for textile exports too**

**Earlier talks on BTIA suspended in 2013**

**EU had demanded greater market access for auto, wine and spirits, and further opening up of financial services sector**

**This time, EU's labour, environment requirements could be sticking points**

ET Bureau

Feedback

However, the expert said that to be able to export textiles duty-free or at zero duty to the EU, India could consider concessions to their automobile exports through longterm staging of duty cuts.

According to another expert, the EU is introducing tariffs for products that don't meet environmental standards as part of the European Green Deal and India would have to be prepared for that.

“It is no longer a simple give and take with the EU anymore. They will look at higher tariffs on exports from countries which do not follow sustainable practices,” the expert said.

India's exports to the EU in April-October were \$20.5 billion, led by organic chemicals, pharmaceutical products, mineral fuels, gems and jewellery, leather products and apparel, while imports were \$17.9 billion. Nuclear reactors, electrical machinery and optical/photographic apparatus were the major imports.

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