

India-EU discussions still in a muddle

Martin Ney

India and the European Union have “failed to live up to their potential”, said German Ambassador Martin Ney, expressing disappointment at the failure of the EU-India summit held in Delhi last week to agree on the resumption of talks on the investment and free trade agreement.

“There is no decision to resume negotiations on free trade agreement despite the possibility being at hand. There was no such decision taken at the last EU summit in March 2016, and the EU leaders and Prime Minister Narendra Modi failed to take such a decision during the summit two days ago,” the German Ambassador said at an India-German Media Dialogue organised in the capital on Monday.

‘Productive meet’

Significantly, Mr. Ney’s statement came on a day Commerce Minister Suresh Prabhu met Cecilia Malmstrom, European Union Trade Commissioner in Marrakech on the sidelines of a trade meet, which he described as “productive.”

Diplomatic officials say the tough comments are a signal of the growing unhappiness among European diplomats over the long period it has taken to get talks on the Bilateral Trade and Investment Agreement (BTIA), as it is known, back on track after they broke down in 2013. Since then, despite several commitments made by the leaders on the issue, including a statement by Prime Minister Narendra Modi and German Chancellor Angela Merkel in June, there has been no movement towards resuming the talks. Chief negotiators on both sides have met several times both formally and on the sidelines of other summit, and are expected to meet again in November, but diplomats hold that no real progress is yet on the cards.

Some disappointment

Diplomats who spoke to *The Hindu* said there was some disappointment that Mr. Modi did not refer to the trade negotiations or the BTIA directly during the EU-India summit on October 6.

There had been some hope the EU-India summit would yield a political decision on resuming the talks, as top leaders Donald Tusk, President of the European Council, and Jean Claude Juncker, President of the European Commission, met for the summit 18 months after they failed to make a breakthrough in Brussels last year.

“We will not restart talks for the sake of starting them; we want to conclude them. Once the circumstances are right — because the European Union cannot impose conditions on India because India has at least the same dignity as the European Union — we will resume,” Mr. Juncker said during the summit.

Commerce Ministry officials have repeatedly said that India is ready to restart talks, but would like to discuss a comprehensive Free Trade Agreement including investment, while the EU is keen to finalise the bilateral investment treaty first, given that India has allowed all its BITs with European countries and others to lapse in the past year.

Another point of disagreement has been over whether the talks would begin afresh, or will incorporate decisions from the previous talks that broke after 16 rounds in 2013.

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