

EU FTA INDIA

CLEPA strongly supports the conclusion of a favourable EU-India FTA.

India is taking an interventionist approach to protect its domestic market – no indication that this strategy will change soon.

CLEPA is concerned by Indian attempts to exclude certain parts of the automotive parts sector from tariff liberalisation. 60 important tariff lines (6 digit codes) remain excluded from the draft Agreement.

CLEPA is in principle against any “negative lists” and insists on 100% inclusion in the FTA of all automotive tariff lines, bringing import tariffs down to 0% for 0% reciprocally. CLEPA is in favour of asymmetrical phasing-out of tariffs (scheduling).

EU applies a GSP import tariff rate of 6.5% for motor vehicles and of 0% for auto parts. Import duties of automotive parts into India average up to 21.5%.

Duty Drawback – opposed to one-party DDB.

Rules of Origin: a value limit of foreign content of 45%

To tackle NTBs, through the alignment with International Regulations ie under the UNECE 1958 Agreement. India should be strongly encouraged to accede to the UNECE 1958 Agreement and sign the Regulations that the EU has signed.

India should be requested to comply with the specific WTO agreements on TBTs.

Trade flows between EU and India are being constantly monitored.

Imports from India increased by 38.66% in 2011 compared to 2010, imports from EU increased by 32.7%.

EU Trade surplus: \$607,004,602 in 2011, increased by 25.3% from past year.

Urgency to conclude FTA during 2012, prior to the Indian State elections in May 2014.

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