

# Exporters Draw List of 220 Goods For Tariff Cuts in FTA with UK

Whiskey, cars, vaccines, basmati rice, wool and tea pre-mix top Indian industry's wishlist

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**New Delhi:** Whiskey, cars, vaccines, basmati rice, wool, and tea pre-mix top a list of 240 odd products the Indian industry has identified for import duty cuts in the United Kingdom under a proposed free trade agreement (FTA) between the two countries.

The industry has come up with the list of products for greater market access in the UK as the two countries gear up to launch formal negotiations on an FTA.

"An FTA with the UK will offset some of the disadvantages that India has vis-a-vis Vietnam" and boost India's share in the UK's imports over the coming years, said Ajay Sahai, director general of Federation of Indian Export Organisations (FIEO). The federation has called for doing away with the 4% import duty on wool and yarn as no such duty is paid by other European and Turkish suppliers to the UK, and 3.1% duty on instant coffee.

An FTA with the UK is significant for Indian exporters because their rivals from Bangladesh, Sri Lanka and Pakistan enjoy duty-free benefits under the UK's Generalised Scheme of Preferences.

## Tariff Talks

**Exporters seek duty cuts on products imported by the UK**

Import duty on bicycles from India is 14%;

Bdesh, Cambodia, Sri Lanka

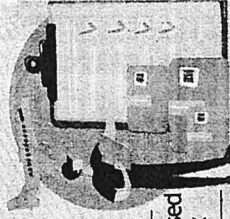
enjoy 0% duty

0% duty on gherkins, pineapple from Turkey, Vietnam vs 16-20% from India

Whiskey, cars, tea pre-mix, instant coffee key products

UK restricts import of dairy-based products like instant tea pre-mix

India's exports to the UK in FY21 were \$8.15 b and imports were \$4.95 b



Beverage Companies (CIABC) has pushed for Indian whiskeys to be allowed to be sold in the UK as whiskeys irrespective of whether they are made from malt, grain spirits or molasses-based spirits. It sought acceptance for Indian recipes the same way as India accepts British recipes for whiskey.

The industry has also sought duty cuts of industrial equipment and machinery, "Machinery, mechanical appliances, nuclear reactors, boilers and their parts has the maximum number of tariff lines," said an industry representative who requested not to be identified. "It is recommended that added focus is needed in this category in order to export more."

Among agricultural products, gherkins, pineapples, chilli, okra and betel leaves are on industry's wish list. The UK imports around 50,000 tonne annually of gherkins and pineapples. Indian imports have currently the highest duty rates of 16% for gherkins and 20% for pineapples whereas competitors like Turkey and Vietnam pay zero duty. On its part, the UK is keen on tariff reduction on Scotch whiskey and a bilateral data adequacy agreement prior to the finalisation of a full-fledged free trade agreement.

market access for its whiskey in the UK. Out of the around 73 million cases of alcoholic beverages that India had exported in 2019-20 only 30,000 cases went to the UK and EU combined.

The UK has put in place barriers such as the requirement that most Indian companies can't fulfil as liquor here is mostly made from molasses due to high sugar production. Another parameter mandates that the whiskey should've aged for three years.

Confederation of Indian Alcoholic