

What is slowing down India-UK FTA from getting its final push?

Sujit Nair, Founder Chairman of the Europe India Centre for Business and Industry (EICBI), shares insights that redefine cross-border commerce and strategic alliances

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WHAT were the major focal points discussed in the recent India-UK FTA negotiations held in London and Delhi?

While the UK-India 2030 Roadmap agreed by the Prime ministers of India and the UK paints a promising picture, finding the right "landing point" for the UK-India FTA seems crucial to ensure it truly delivers on its potential for both countries.

Despite the involvement of short-lived UK governments over the last few discussions, whispers suggest the India-UK FTA is nearing completion, fuelled by a mutual desire to resolve outstanding issues. Although negotiations have largely flown under the radar despite their speed, recent rounds in London and Delhi have tackled thorny topics like rules of origin (ROO) standards, professional mobility across borders, and protectionist measures in autos and beverages.

While specifics of the UK India FTA discussion remain confidential, reports indicate broad consensus has been reached on 24 of the 26 draft chapters, signifying significant progress.

Three key sticking points remain:

- ROO: Determining which products qualify for preferential tariffs under the FTA.
- Intellectual Property (IP): Balancing protections for innovation with access to affordable medicines and technology.
- Professional Mobility: Addressing concerns about the annual cap on work visas for Indian professionals in the UK.

This FTA with the UK is poised to be India's most comprehensive to date, covering aspects like product-

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specific regulations, value addition, and certification. It holds significant potential for both economies:

- British exports: Currently face high tariffs (100-150 per cent) on cars, Scotch whisky, and wines in India. Reduced tariffs could boost British exports in these sectors.
- Indian exports: Textiles, clothing, footwear, and agricultural products could see increased access to the UK market due to lower tariffs.

What obstacles have caused the delay in finalising the India-UK FTA, extending beyond the initial deadline?

Driven by the promise of significant benefits, India and the UK are racing against the clock to finalise their FTA, but crucial differences and the specter of upcoming elections in the UK and India could complicate the final push for FTA. Crucial demands are casting a shadow over UK-India trade talks.

- British ambitions: The UK desires preferential tariffs for its key exports like autos (80 per cent sent abroad, mainly to Europe), whiskey, dairy, and meat. Additionally, they seek "national treatment" for their financial and telecom services in India, meaning equal footing with Indian competitors in terms of regulations and laws.

- Indian counterpoints: India hesitates to grant national treatment to British service providers, wary of potential market advantages. Instead, they seek lower tariffs for their labor-intensive exports like textiles and garments. Relaxed visa rules for Indian professionals are also on the table, but this is a sensitive topic in post-Brexit UK, where migration control remains a top priority.

- Electric vehicle wrinkle: Both sides are discussing limits on duty-free electric vehicle (EV) trade, despite the UK's 2035 ban on internal combustion engines. This could hinder their ambitious EV aspirations.

I also align with India's External Affairs Minister Jaishankar's stance, advocating a cautious approach

In the realm of global trade, the India-UK Free Trade Agreement (FTA) emerges as a milestone shaping the Comprehensive Strategic Partnership between the two nations. Established in 2021, this partnership is fortified by a robust roadmap guiding their collaborative efforts toward 2030. At the heart of their strategic collaboration lies the pursuit of a workable landing point for the FTA that resonates with the interests of both India and the United Kingdom.

This endeavour is notably set against a backdrop of political dynamics, with UK Prime Minister Rishi Sunak navigating the challenge of ensuring stability within his government

amidst the impending re-election scheduled for 28th January 2025. Meanwhile, India, too, gears up for its general elections in 2024, adding a layer of significance to the ongoing discussions surrounding the FTA.

Once inked, the India-UK FTA holds the promise of serving as a benchmark for future agreements, especially with the European Union, India's second-largest trade partner.

To unravel the intricate details and insights surrounding this pivotal FTA, Bizz Buzz reached out to Sujit S Nair, FRSA, Founder Chairman of the Europe India Centre for Business and Industry (EICBI), renowned for his contributions



Sujit S Nair, FRSA, Founder Chairman, EICBI

in the realms of foreign policy and strategic diplomacy. Sujit promises a detailed and nuanced perspective on the India-UK FTA, shedding light on its complexities and implications for bilateral and global trade relations

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between India and the UK, showcasing mutual investment, diverse trade flows, and key collaborations in promising sectors.

In light of the recent discussions, what are the immediate next steps or expectations for the forthcoming fourteenth round of negotiations in January 2024?

As the clock ticks down to the 14th round of India-UK FTA talks in January, anticipation for a breakthrough soars. Both nations harbour ambitious goals, eager to unlock the vast potential of deeper economic cooperation. However, officials warn, cracking the "toughest knots" like goods, services, and investment won't be a cakewalk.

Political turbulence in London hasn't helped maintain momentum, causing interruptions and delays. Still, the desire for progress remains strong. India seeks wider access for its skilled professionals in IT and healthcare, while the UK eyes lower tariffs on its goods and opportunities in telecommunications, legal, and financial services.

The External Affairs Minister recently addressed criticisms about the slow-paced talks by questioning the naysayers "Nobody says why isn't the UK quickly signing up with India?" but he also added that we should speed it up because every FTA and every open step is an achievement in itself.

The path ahead demands exceptional understanding and communication from both the UK and India. While this isn't a walk in the park, the potential rewards of a robust FTA make the journey worthwhile.

to the India-UK FTA or any other FTAs which India is going to sign in the future. At the EICBI, we've conducted numerous sessions in the past two years focusing on the UK-India FTA, striving to comprehend its implications from various perspectives.

Given India's status as a developing nation with a market less sophisticated than developed ones, signing such agreements could significantly impact the millions of small businesses in India. Despite potential criticism from vested interests, it's crucial for India to thoroughly evaluate all aspects before finalising such agreements, emphasising deals that demonstrably improve livelihoods. Additionally, to expedite the FTA, the UK can consider refraining from contentious demands and embracing a deal that grants substantial market access to its companies.

Unless substantial progress is



made by late January, fears abound that the India-UK FTA negotiations could be drawn out until after India's general elections. Once the budget session in India kicks off in January/ February, political focus shifts gears, leaving little room for major trade deals. With the Model Code of Conduct looming upon election announcement, the current Narendra Modi-led government would be virtually handcuffed, unable to finalise the agreement before voters' head to the polls.

Could you elaborate on the

growth pattern of bilateral trade between India and the UK from 2021-2023 and how this aligns with their commitment to developing a comprehensive trade relationship?

Bound by shared values and a strategic partnership forged over two decades, India and the UK are steadily building a comprehensive trade relationship. Dedicated platforms like the India-UK Economic & Financial Dialogue (EFD), India-UK Joint Economic and Trade Commission (JETCO) and the India-UK EFD and ongoing trade talks underline their mutual commitment to economic cooperation and bilateral trade growth.

More than just talk, India and the UK are putting their economic partnership into action. Bilateral trade has jumped 16 per cent in just one year, from \$17.5 billion to \$20.36 billion, marking a promising trajectory for their future trade deal. A web of investments binds

India and the UK, weaving a strong economic tapestry.

- India ranks high as the UK's fifth-largest investor, boasting over 700 businesses, including Tata, the largest private sector employer in Britain.

- Conversely, the UK stands tall as India's third-largest FDI source, injecting capital into crucial sectors like computer software, ports, services, petroleum, and roads and highways.

- Trade flows further deepen the connection. India exports a diverse range of goods to the UK, including textiles, jewellery, engineering goods, petroleum products, spices, and even IT services, where the UK is its biggest European market. In return, India receives precious stones, metals, machinery, and chemicals from the UK.

This intricate economic interplay underlines the strong partnership

AI could improve life by removing bottlenecks

AI could hugely reduce the costs of customization by learning your style, taking measurements based on photos, generating designs that match your taste and using available materials

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ARTIFICIAL intelligence is poised to upend much of society, removing human limitations inherent in many systems. One such limitation is information and logistical bottlenecks in decision-making. Traditionally, people have been forced to reduce complex choices to a small handful of options that don't do justice to their true desires. Artificial intelligence has the potential to remove that limitation. And it has the potential to drastically change how democracy functions. AI researcher Tatum Collins and I, a public-interest technology scholar, call this AI overcoming "lossy bottlenecks." Lossy is a term from information theory that refers to imperfect communications channels - that is, channels that lose information.

Multiple-choice practicality
Imagine your next sit-down dinner and being able to have a long conversation with a chef about your meal. You could end up with a bespoke dinner based on your desires, the chef's abilities and the available ingredients. This is possible if you are cooking at home or hosted by accommodating friends. But it is infeasible at your average restaurant: The limitations of the kitchen, the way supplies have to be ordered and the realities of restaurant cooking make this kind of rich interaction between diner and chef impossible. You get a menu of a few dozen standardized options, with the possibility of some modifications around the edges. That's a lossy bottleneck. Your wants and desires are rich and multifaceted. The array of culinary outcomes is equally rich and multifaceted. But there's no scalable way to connect the two. People are forced to use multi-



ple-choice systems like menus to simplify decision-making, and they lose so much information in the process. People are so used to these bottlenecks that we don't even notice them. And when we do, we tend to assume they are the inevitable cost of scale and efficiency. And they are. Or, at least, they were.

The possibilities
Artificial intelligence has the potential to overcome this limitation. By storing rich representations of people's preferences and histories on the demand side, along with equally rich representations of capabilities, costs and creative possibilities on the supply side, AI systems enable complex customization at scale and low cost. Imagine walking into a restaurant and knowing that the kitchen has already started work on a meal optimized for your tastes, or being presented with a personalized list of choices. There have been some early attempts at this. People have used ChatGPT to design meals based on dietary restrictions and what they have in the fridge. It's still early days for these technologies, but once they get working, the possibilities are nearly endless. Lossy bottlenecks are everywhere. Take labor markets. Employers look to grades, diplomas and certifications to gauge candidates' suitability for roles. These are a very coarse representation of a job candidate's abilities. An AI system with access to, for example, a student's coursework, exams and teacher feedback

as well as detailed information about possible jobs could provide much richer assessments of which employment matches do and don't make sense. Or apparel. People with money for tailors and time for fittings can get clothes made from scratch, but most of us are limited to mass-produced options.

AI could hugely reduce the costs of customization by learning your style, taking measurements based on photos, generating designs that match your taste and using available materials. It would then convert your selections into a series of production instructions and place an order to an AI-enabled robotic production line. Or software. Today's computer programs typically use one-size-fits-all interfaces, with only minor room for modification, but individuals have widely varying needs and working styles. AI systems that observe each user's interaction styles and know what that person wants out of a given piece of software could take this personalization far deeper, completely redesigning interfaces to suit individual needs.

Removing democracy's bottleneck
These examples are all transformative, but the lossy bottleneck that has the largest effect on society is in politics. It's the same problem as the restaurant. As a complicated citizen, your policy positions are probably nuanced, trading off between different options and their ef-

fects. You care about some issues more than others and some implementations more than others. If you had the knowledge and time, you could engage in the deliberative process and help create better laws than exist today. But you don't. And, anyway, society can't hold policy debates involving hundreds of millions of people. So you go to the ballot box and choose between two - or if you are lucky, four or five - individual representatives or political parties. Imagine a system where AI removes this lossy bottleneck. Instead of trying to cram your preferences to fit into the available options, imagine conveying your political preferences in detail to an AI system that would directly advocate for specific policies on your behalf. This could revolutionize democracy. One way is by enhancing voter representation. By capturing the nuances of each individual's political preferences in a way that traditional voting systems can't, this system could lead to policies that better reflect the desires of the electorate. For example, you could have an AI device in your pocket - your future phone, for instance - that knows your views and wishes and continually votes in your name on an otherwise overwhelming number of issues large and small. Combined with AI systems that personalize political education, it could encourage more people to participate in the democratic process and increase political engagement.

And it could eliminate the problems stemming from elected representatives who reflect only the views of the majority that elected them - and sometimes not even them. On the other hand, the privacy concerns resulting from allowing an AI such intimate access to

personal data are considerable. And it's important to avoid the pitfall of just allowing the AIs to figure out what to do: Human deliberation is crucial to a functioning democracy. Also, there is no clear transition path from the representative democracies of today to these AI-enhanced direct democracies of tomorrow. And, of course, this is still science fiction.

First steps
These technologies are likely to be used first in other, less politically charged, domains. Recommendation systems for digital media have steadily reduced their reliance on traditional intermediaries. Radio stations are like menu items: Regardless of how nuanced your taste in music is, you have to pick from a handful of options. Early digital platforms were only a little better: "This person likes jazz, so we'll suggest more jazz." Today's streaming platforms use listener histories and a broad set of features describing each track to provide each user with personalized music recommendations. Similar systems suggest academic papers with far greater granularity than a subscription to a given journal, and movies based on more nuanced analysis than simply deferring to genres. A world without artificial bottlenecks comes with risks - loss of jobs in the bottlenecks, for example - but it also has the potential to free people from the straightjackets that have long constrained large-scale human decision-making. In some cases - restaurants, for example - the impact on most people might be minor. But in others, like politics and hiring, the effects could be profound.

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Fusion of physical, mental health key to attain balanced life

This synergy finds expression in the union of 2 ancient practices - Yoga and sattvic eating

DR RAJEEV RAJESH

IN the fast-paced world we inhabit, the pursuit of holistic well-being has gained profound significance. A harmonious fusion of physical and mental health is the key to achieving a balanced and fulfilling life. This synergy finds expression in the union of two ancient practices - Yoga and sattvic eating. By blending the profound wisdom of yogic principles with the nourishing qualities of sattvic nutrition, individuals can embark on a transformative journey towards enhanced mind-body harmony.

What Encompasses the Mind-Body Connection?

The concept of the mind-body connection delves into the intricate interplay between our thoughts, emotions, and physical health. This notion underscores the reciprocal relationship where our mental well-being influences our physical state, and conversely, our physical health impacts our mental state. Extensive research underscores the correlation between chronic stress, negative emotions, and unhealthy lifestyle choices, demonstrating their potential to precipitate physical health issues such as heart disease, diabetes, and obesity.

Conversely, fostering positive emotions, adopting healthy habits, and incorporating relaxation techniques can yield notable improvements in both our physical and mental health. Evidence supports the idea that engaging in practices like yoga and meditation can effectively mitigate stress, elevate mood, and contribute to an overall sense of well-being.

The Essence of Yoga
Yoga, originating from ancient Indian philosophy, is



Lifestyle Buzz

a holistic practice that transcends mere physical exercise. It encompasses a union of the body, mind, and spirit, promoting inner peace and balance. Through a combination of asanas (physical postures), pranayama (breath control), and meditation, Yoga offers a path to self-discovery, stress reduction, and improved mental clarity. The emphasis on mindfulness and conscious breathing in Yoga establishes a profound connection between the physical and mental dimensions.

Harmony through Sattvic Foods

Sattvic foods embody a category of nourishment characterized by purity, lightness, and easy digestibility. These plant-based, whole foods are devoid of artificial additives, aligning with the principles of Yoga. Yoga suggests that the consumption of sattvic foods can contribute to a harmonious balance of the mind and body, fostering inner peace.

Comprising fruits, vegetables, whole grains, nuts, seeds, and legumes, sattvic foods are nutrient-dense, offering a rich supply of vitamins, minerals, and fiber. These foods provide sustained energy levels without imposing undue stress on the digestive system. In contrast, rajasic (stimulating) or tamasic (stale) foods may disrupt the intricate mind-body connection, potentially leading to physical and mental imbalances.

Embracing a diet enriched with sattvic foods can cultivate

a sense of calm and clarity, positively influencing mood and overall well-being. Moreover, the inclusion of sattvic foods supports digestive health, a cornerstone of overall

wellness.

Combining Yoga and Sattvic Eating

The amalgamation of yoga and sattvic eating creates a powerful synergy that fosters comprehensive well-being. As Yoga enhances physical flexibility and strength, it simultaneously nurtures mental resilience and emotional balance. When complemented by a sattvic diet, the body receives optimal nourishment, fostering a sense of lightness and vitality. Mindful eating encourages people to cultivate gratitude for the food that nature provides and to relish each bite, which is in line with the yogic teachings.

Benefits of the Harmony

Stress Reduction: The combination of Yoga and sattvic eating aids in stress reduction by calming the nervous system and promoting mental clarity. **Improved Digestion:** Sattvic foods are light and easily digestible, and support optimal digestion, a crucial aspect for both physical and mental well-being. **Enhanced Focus:** The meditative aspects of Yoga, when coupled with a sattvic diet, contribute to improved concentration and heightened awareness. **Holistic Detoxification:** The practices of Yoga, including twists and inversions, support the body's natural detoxification processes, while sattvic foods aid in purifying the system.

(The author is Chief Yoga Officer, Jindal Naturecure Institute.)