

India, Canada CEPA

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In news– Recently, India and Canada have decided to restart talks for a comprehensive economic partnership agreement (CEPA) and will strive to seal an investment-protection agreement as well.

Key updates-

- CEPA talks with Canada had derailed amid the COVID-19 pandemic but were expected to restart after the Canadian elections concluded in September 2021.
- **CEPA negotiations will be formally relaunched, and the two countries will consider an interim agreement or Early Progress Trade Agreement (EPTA)** that could be concluded early as a transitional step.
- India is eyeing market access for its sweet corn, baby corn and bananas in Canada, while Ottawa is keen to export its cherries and lumber to India.
- The **EPTA shall include 'high level commitments in goods, services, rules of origin, sanitary and phytosanitary measures,** technical barriers to trade, and dispute settlement, and may also cover any other areas mutually agreed upon', a joint statement said.
- **Furthermore, Canada and India agreed to promote and protect bilateral investment,** including through the intensification of negotiations toward a Bilateral Investment Agreement, while considering options to achieve this goal alongside CEPA.
- **Bilateral goods trade between the two nations stood at \$6.3 billion in 2021** and the two sides agreed that a comprehensive trade agreement would help bolster trade and investment flows.

What is the Comprehensive Economic Partnership Agreement(CEPA)?

- A CEPA is a bilateral trade pact between two countries.
- Unlike FTA, which is a free trade agreement, CEPA aims at lowering trade barriers instead of complete elimination.
- CEPA has a greater spread of both goods as well as services.

History of India, Canada CEPA-

- In September 2008, the India-Canada CEO Round Table recommended that India and Canada would benefit enormously from CEPA by elimination of tariffs on a substantial majority of the bilateral trade.
- CEPA would cover trade in goods, trade in services, rules of origin, sanitary and phytosanitary measures, technical barriers to trade and other areas of economic cooperation.
- A Joint Study was conducted and a report came in September 2010 strongly recommending the benefits of CEPA for both the countries.
- Accordingly, the announcement of launch of India-Canada CEPA negotiations was made by PMs of both the countries in Seoul in November 2010 and the negotiations were formally launched on 16 November 2010 in New Delhi.
- So far, more than ten rounds of negotiations have already taken place.

Further reading:
<https://journalsofindia.com/free-trade-agreement-fta/>