

Trade and Economic Partnership Agreement

March 19, 2024 • vajiramandravi.com



About TEPA

- Features
 - Investment: TEPA sets out a target of a \$100 billion investment into India from EFTA countries, and consequent one million jobs over a 15-year period.
 - It also provides India the ability to withdraw its tariff concessions if such expected investment is not achieved.
 - If India is not satisfied, it can pull back its tariff concessions in a proportionate manner after 18 years.
 - Trade in goods: India is mandated to eliminate tariff on most products within seven to 10 years.
 - With regard to India's exports to EFTA, there will be no material impact since most products face very low or zero tariff for nations which have the Most Favoured Nation (MFN) status in EFTA countries.
 - Trade in services: On services, both India and the EFTA members have committed to liberalisation across a wide range of sectors.
 - Sustainable development: The TEPA's chapter on Trade and Sustainable Development (TSD), comprising commitments on environment and labour aspects, represents a first for India in any FTA.
 - The TSD chapter refers to a range of multilateral environmental agreements and labour conventions, whose implementation is based on a balance of rights and obligations.

- Intellectual property rights: the EFTA countries are home to several pharmaceutical and high technology MNCs, whose ask has been commitments on protection of intellectual property rights that exceed the WTO's Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement.
 - The TEPA's IPR Annex requires swift rejection of "prima facie unfounded" oppositions. This potentially opens up India's internal regulatory process to external scrutiny on whether this standard was met.
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Q1) What Is the Most-Favored-Nation Clause?

A most-favored-nation (MFN) clause requires a country providing a trade concession to one trading partner to extend the same treatment to all.¹ Used in trade treaties for hundreds of years, the MFN clause and its principle of universal equal treatment underpin the World Trade Organization

Source: [What do FTAs with European countries signal? | Explained](#)

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