



EFTA – INDIA TRADE AND ECONOMIC PARTNERSHIP AGREEMENT

An Interview with Nik Gugger, MP, Swiss Federal Assembly



Prof. Dr. Roger Moser (India Competence Center, University of St. Gallen): Dr. Gugger, to start off, could you share with us what initially motivated the EFTA countries and India to pursue a free trade agreement, and what were the primary objectives both sides hoped to achieve?

Dr. h.c. Gugger: *The genesis of this FTA was rooted in a mutual recognition of the vast economic potential and opportunities for synergistic growth. From the outset, the primary goal was to enhance economic cooperation by significantly increasing trade and investment flows between our regions. For the EFTA countries, accessing India's vast and rapidly growing market was paramount, while India was keen on attracting investments to create more jobs and benefit, for example, from our experiences in setting up vocational trainings.*

Prof. Dr. Moser: Negotiations of this scale are notoriously complex. What were some of the most challenging aspects, and how were they overcome?

Dr. h.c. Gugger: *Indeed, the negotiations were challenging, especially around areas like intellectual property rights, services, and non-tariff barriers. We faced moments of significant divergence in our initial positions. Overcoming these challenges required a steadfast commitment to dialogue, transparency, and compromise. We used a variety of diplomatic channels to ensure continuous progress. Patience and mutual respect were key in navigating these complexities. An outcome of this approach was the establishment of the Swiss-Indian Parliamentarian Group (Parlamentarische Gruppe Schweiz-Indien).*

Prof. Dr. Moser: How have you ensured that the FTA will be mutually beneficial, and what mechanisms are in place to assess its impact?

Dr. h.c. Gugger: *Our approach was grounded in extensive economic impact assessments to forecast the benefits and identify potential challenges. Both parties are convinced that they are much better off by collaborating with each other rather than not leveraging each others' strength. To ensure ongoing benefits, Switzerland and India will also rely on the trust established through the friendship treaty for which we celebrated its 75th anniversary in 2023.*

PARLAMENTARISCHE GRUPPE
SCHWEIZINDIEN 



Prof. Dr. Moser: What economic shifts do you anticipate in both EFTA countries and India as a result of this FTA?

Dr. h.c. Gugger: *We're anticipating a significant uptick in trade volumes and diversification in the range of goods and services exchanged. This FTA should serve as a catalyst for job creation and foster an environment ripe for innovation, particularly in sectors where our economies complement each other. Moreover, it's expected to enhance the competitiveness of our industries on the global stage by streamlining access to new markets and resources.*



Prof. Dr. Moser: The difference in regulatory and legal frameworks must have posed a considerable challenge. How was this addressed?

Dr. h.c. Gugger: *Addressing regulatory and legal disparities required a meticulously structured negotiation process. We focused on harmonizing standards and regulations where possible and on creating frameworks for mutual recognition in sectors where direct harmonization wasn't feasible. This approach was crucial for areas such as pharmaceuticals, financial services, and digital trade, ensuring that we could facilitate a smoother exchange of goods and services while respecting our respective legal traditions.*

Dr. Moser: Stakeholder engagement is crucial for such agreements. How were different interests balanced?

Dr. h.c. Gugger: *I engaged with a broad spectrum of stakeholders, including companies from different sectors, especially also SMEs, universities, NGOs, etc. to gather input and address concerns. This inclusive approach helped us balance a wide range of interests, ensuring that the FTA reflected the diverse needs of our societies and economies. I spent a lot of time to regularly engage in different dialogues and create transparency which were instrumental in forging a consensus and building broad support for the agreement.*

Prof. Dr. Moser: How does this FTA align with the broader geopolitical and economic shifts currently occurring worldwide?

Dr. h.c. Gugger: *This agreement is a strategic maneuver to diversify our economic partnerships and enhance our resilience in the face of global trade uncertainties. It's a testament to our belief in the importance of open, rules-based trade, especially at a time when protectionist sentiments are rising. By strengthening the ties between the EFTA countries and India, we're not just expanding our joint economic horizons but also making a statement about the value of cooperation and mutual benefit in today's world.*

Prof. Dr. Moser: Thank you, Dr. Gugger, we wish you much success in further facilitating the exchange between India and Switzerland!

Dr. h.c. Gugger: *Thank you Prof. Dr. Moser. I am looking forward to implement more initiatives with your support in the future.*