

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:5153
ANSWERED ON:26.04.2002
TRADE WITH SAARC COUNTRIES
AMBATI BRAHMANIAH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether India`s trade with SAARC countries went up by 37 percent during 2000-2001;
- (b) if so, the trend in trade to SAARC region in the financial year 2001-2002;
- (c) whether imports from SAARC countries is also increasing rapidly;
- (d) if so, the details thereof;
- (e) the steps proposed to encourage exports to SAARC countries in the forthcoming years; and
- (f) the details of plans proposed in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) : India`s trade with SAARC Countries has increased by 43.18% from Rs. 7510.20 crores during 1999-2000 to Rs. 10,753.53 crores during the year 2000-2001.

(b) During the financial year 2001-2002 (April-December period) India`s trade with SAARC region has increased to Rs. 9104.44 crores from Rs. 7490.24 crores during the corresponding period previous year, showing an increase of 21.55%.

(c)&(d) : Imports into India from SAARC countries have increased from Rs. 1409.22 crores during 1999-2000 to Rs. 1971.88 crores during the year 2000-2001. The same trend has continued during the year 2001-02 and imports from SAARC countries have increased to Rs. 2092.97 crores during the April- December period in 2001-2002 from Rs. 1411.10 crores during the corresponding period in the year 2000-2001

(e) & (f) : India has entered into bilateral trade agreements with all countries in the South Asia region except Pakistan. Under the Treaty of Trade with Nepal, both countries exchange tariff concessions to promote the exports from one country to the other. Exports between India and Bhutan are allowed duty - free entry on reciprocal basis. The Free Trade Agreement between India and Sri Lanka provides for duty-free access to the markets in both countries to be achieved on an agreed time schedule. The Trade Agreements with all countries including Bangladesh and Maldives (except Pakistan) provide for periodical review by the concerned authorities to address the bottlenecks in the flow of bilateral trade. The countries in the South Asia region are given special incentives to participate in the annual India International Trade Fair in New Delhi to make them aware of the Indian export potential.

At the SAARC forum, all member countries have engaged themselves in the process of bringing down the tariff rates to promote intra-regional trade, with the intention to establish a duty free trade regime to be known as SAARC Free Trade Area (SAFTA) as early as possible.