

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

STARRED QUESTION NO:442  
ANSWERED ON:20.12.2002  
FREE TRADE ZONE WITH ASEAN  
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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the Government have made efforts for setting up of Free Trade Zone in association with the ASEAN countries;
- (b) if so, the progress achieved so far in this regard; and
- (c) the short-term and long-term benefits likely to accrue to India after joining the above organization?

**Answer**

MINISTER OF COMMERCE AND INDUSTRY ( SHRI ARUN SHOURIE )

(a) to (c) . A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 442  
ANSWER ON 20.12.2002 REGARDING FREE TRADE ZONE WITH ASEAN

(a) to (c) In the first ASEAN Economic Ministers (AEM) - India Consultations held on 15th September, 2002 in Brunei Darussalam, the Ministers agreed to establish an ASEAN-India Economic Linkages Task Force (AIELTF) to prepare a draft Framework Agreement to enhance ASEAN-India trade and economic cooperation and recommend measures for integration towards closer economic partnership. The First Meeting of the Task Force is being held on 20-21 December 2002 in New Delhi.

A joint study on AFTA India Linkages for the Enhancement of Trade & Investment undertaken by the Indian Institute of Foreign Trade and the Malaysian Institute of Economic Research has proposed for Regional Trade & Investment Area (RTIA) between India and ASEAN in the long term. The study has highlighted that ASEAN and India offer a large market with a combined population of 1.485 billion people and therefore, there is a great potential to enhance trade & investment flows between India and ASEAN countries. As per the joint study, based on the UNCTAD methodology, the aggregate trade between India and ASEAN - 5 is estimated to increase three folds from the present level of trade. On the short term benefits, India and ASEAN seek to deepen cooperation in the areas of Trade Facilitation, Science & Technology, Human Resources Development, Information and Communication Technology, Pharmaceuticals, Tourism, etc. besides promoting people to people linkages.