

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

UNSTARRED QUESTION NO:2784
ANSWERED ON:19.12.2003
IMPACT OF FTA WITH SOUTH EAST ASIAN COUNTRIES
GADDE RAMAMOCHAN

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

- (a) whether the Government has signed the free trade pacts with the Southeast Asian neighbours without arming the domestic consumer electronics industry;
- (b) if so, the reasons for which the agreement were signed without consulting Indian Industry;
- (c) whether the Government has received several memorandum from Indian Industry against these pacts; and
- (d) if so, the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI S. B. MOOKHERJEE)

(a) & (b): A Framework Agreement for Comprehensive Economic Cooperation was signed between India and ASEAN in the Second ASEAN India Summit, Bali, Indonesia on 8th October, 2003. Likewise; a Framework Agreement for Establishing Free Trade Area between India and Thailand has been signed in Bangkok, Thailand on 9th October, 2003. These Framework Agreements include provisions relating to free trade area in goods, services, investments and have identified various areas of economic cooperation. Further, the Agreements include Early Harvest Programme/Scheme (EHP/EHS) under which tariff concessions would be exchanged on an agreed common list of items. These items were finalised in consultation with various administrative Ministries/Departments and negotiations between the Parties.

(c) & (d): The Government has received representations from various sources which not only included suggestions relating to exclusion of certain items but also inclusion of items in the EHP/EHS lists. Equivalent tariff concessions to Indian exporters are available on exports of EHP/EHS items and therefore Indian exporters can export on a preferential basis to Thailand and other ASEAN countries. These Agreements are aimed at strengthening our trade, investment and economic cooperation with our Southeast Asian neighbours consistent with our Look East Policy.