

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

UNSTARRED QUESTION NO:382

ANSWERED ON:26.07.2005

INDO SINGAPORE TRADE AGREEMENT

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

- (a) whether the Government has entered into a comprehensive Economic Cooperation Agreement with Singapore as mentioned in the Hindu dated 30 June, 2005;
- (b) if so, the facts and details thereof;
- (c) the extent to which both the countries are likely to be benefited by this agreement;
- (d) the number of countries with whom such negotiations are going on at present; and
- (e) the steps taken or being taken by the Government to negotiate Free Trade Agreement (FTA) and Regional Trade Agreement (RTA) with other countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) to (c) : Yes, Sir. A Comprehensive Economic Cooperation Agreement (CECA) between India and Singapore has been signed on 29th June 2005 in New Delhi by the Prime Ministers of the two countries.

The CECA is structured as an integrated package of several agreements concerning Trade in Goods, Trade in Services, Investments and Economic Cooperation and a revised Double Taxation Avoidance Agreement.

The CECA, which comes into effect from 1st August 2005, is expected to benefit both the countries in the form of increased bilateral trade, investment and economic cooperation as a whole.

(d) & (e) : Negotiations for establishment of an FTA are going on with a number of countries which include (i) Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC) comprising Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand; (ii) ASEAN; and (iii) Thailand under the respective Framework Agreements signed on 8th February 2004, 8th October, 2003 and 9th October 2003 respectively. Negotiations with Sri Lanka and Mauritius are also at different stages for similar arrangements. With Sri Lanka, India already has a FTA but the proposal is to have a Comprehensive Economic Partnership Agreement. Negotiations for operationalisation of the South Asia Free Trade Agreement (SAFTA) signed at the last SAARC Summit are also going on. Negotiations are also going on with Chile to have a Preferential Trade Agreement under the Framework Agreement signed on January 20, 2005. Besides these, feasibility studies of having Comprehensive Economic Cooperation Agreement/Free Trade Agreement / Preferential Trade Agreement with a number of other countries are at different stages of examination.