

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

UNSTARRED QUESTION NO:3437
ANSWERED ON:20.08.2004
REVISION OF STRATEGY BY INDIAN MANUFACTURERS
Yadav Shri Anirudh Prasad (Sadhu)

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

- (a) whether Thai FTA signed will force Indian Manufacturers to revise their product strategies in processed food consumer durables auto sector;
- (b) if so, whether it is also a fact that Chinese products seeking entry into India may now enter easily via Thailand;
- (c) if so, the details thereof; and
- (d) the concrete measures taken by the Government so that Indian manufacturers can give equal challenge to foreign products?

Answer

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

(a) The Free Trade Area between India & Thailand is expected to promote bilateral trade & investment flows, however, the same would depend on the complementarities and comparative advantages of various industries. It is expected that in the sectors of agro and processed food industry, automotive, parts and components, ICT etc. investment flows would increase both ways with joint ventures and backward- forward linkages between India and Thailand industries.

(b) to (d): No, Sir, as the tariff preferences on imports to India would be available only for those products which enjoy the `originating status` in Thailand as prescribed under the Rules of Origin which are integral part of any Free Trade Agreement. Similarly, the products which enjoy the `originating status` in India would only get tariff preferences for imports in Thailand.