

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

UNSTARRED QUESTION NO:3574

ANSWERED ON:20.08.2004

SAARC SUMMIT

Prabhu Shri R.;Rajendran Shri P.;Saradgi Shri Iqbal Ahmed;Scindia Shri Jyotiraditya Madhavrao;Tirath Smt. Krishna

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

- (a) mutual trade benefit likely to accrue from SAFTA and its significance with regard to WTO agreement;
- (b) whether any decision was taken and declaration made towards formulation of a Common Economic Zone:
- (c) if so, the details thereof;
- (d) whether CII had outlined a 15-point agenda for SAARC concerning finance, agriculture, entrepreneurship and allied matters; and
- (e) any specific item mentioned in the agreement for trading between two countries?

Answer

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

(a) The Agreement on South Asian Free Trade Area (SAFTA) was signed during the 12th SAARC Summit held in Islamabad, Pakistan on 6th January, 2004 to promote and enhance mutual trade and economic cooperation among the member countries of SAARC. In the Agreement on SAFTA, the member countries have affirmed their existing rights and obligations with respect to each other under the WTO.

(b) & (c) In the Twelfth SAARC Summit Declaration, the Leaders of the SAARC member countries reiterated their commitment made at the 11th SAARC Summit at Kathmandu in January, 2002 for the creation of a South Asian Economic Union. The leaders underlined that creation of a suitable political and economic environment would be conducive to the realization of this objective.

(d) In the Joint Statement by members of the South Asia CEO's Forum on 2nd January, 2004 ahead of the SAARC Summit in Islamabad, the representatives of business and industry urged the respective governments, national leaders and policy makers to provide the necessary impetus, encouragement and leadership. They also solicited eight initiatives from the SAARC leaders assembled in Islamabad through special focus areas such as trade, infrastructure, trade facilitation and harmonization of standards, services, investment, tourism, agriculture and energy.

(e) No Sir.