

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

UNSTARRED QUESTION NO:2054
ANSWERED ON:20.07.2009
IMPLEMENTATION OF SAFTA
Sinha Shri Yashwant

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

- (a) whether the South Asia Free Trade Agreement (SAFTA) has become operational;
- (b) if so, the details thereof;
- (c) the countries which have agreed to implement SAFTA; and
- (d) the response of Pakistan regarding implementing SAFTA especially vis-a- vis India and the reaction of the Indian Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

- (a)&(b) Yes, Madam. The South Asia Free Trade Agreement (SAFTA) has become operational from 1st July 2006
- (c) All member countries of SAARC namely India, Pakistan, Sri Lanka, Bangladesh, Nepal, Bhutan, Maldives and Afghanistan have agreed to implement SAFTA.
- (d) Pakistan has implemented SAFTA. In its Notification for SAFTA tariff reductions, Pakistan stipulated that Imports from India would continue to be as per their positive list (list of items allowed to be imported from India). India maintains that this constitutes a derogation of SAFTA, since no reservations are permitted under Article 23 of the SAFTA Agreement.