

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

UNSTARRED QUESTION NO:2319  
ANSWERED ON:09.08.2010  
IMPACT OF FTAS  
Lal Shri Kirodi

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

- (a) whether the Government has conducted/proposes to conduct any study about the impact of Free Trade Agreements (FTA) signed with the countries of Association of South East Asian Nation (ASEAN) and Bay of Bengal Initiative for Multi-Sectoral Technical Economic Cooperation (BIMSTEC) countries on Indian Industries particularly agricultural and small industry products;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) the measures proposed to be adopted by the Government to protect the export-oriented industries and farmers after signing the said agreements?

**Answer**

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

(a)to (c) Before deciding on entering into an FTA with any country, a feasibility study is conducted by a Joint Study Group (JSG) comprising of officials from both sides. The JSG examines inter-alia trade and profiles, issues of complementarities, likely benefits and areas of mutual interests. A considered view on whether to go ahead to an FTA is taken by the Government based on the report of the JSG.

Before commencement of negotiations, extensive studies are undertaken by the Department of Commerce through various academic institutions. Negotiations are done after detailed consultations with industry stakeholders as well as the administrative Ministries and Departments to protect the interests of the Indian industry and agriculture. Representatives from these Ministries and Departments also participate in the negotiations.

(d) No FTA has been signed with BIMSTEC countries. The FTA with ASEAN has provisions on Safeguard Measures which can be invoked to protect the domestic industry if the need arises.