

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

UNSTARRED QUESTION NO:2009

ANSWERED ON:22.11.2010

FTAS WITH COUNTRIES

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

- (a) the countries with which India has entered into Free Trade Agreements (FTAs) so far;
- (b) whether the Union Government proposes to enter into FTAs with some more countries;
- (c) if so, the details thereof alongwith the action plan and the priority areas identified in this regard;
- (d) whether the Government has made any assessment regarding the impact of these FTAs on the domestic industries and farmers and if so, the details thereof;
- (e) whether the Government has framed FTAs rules for prevention of trade diversions and protection of domestic industry;
- (f) if so, the details thereof and the reasons therefor; and (g) if not, the time by which such rules are likely to be framed?

Answer

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

(a) India has entered into Free Trade Agreements (FTAs) and Preferential Trade Agreements with the following countries :

(i) Free Trade Agreements:

SN	Name of the Agreement	Partner country/ies Signing	Date of	Date of Implementation
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1	India-Sri Lanka FTA 1998	Sri Lanka December.	28th	March, 2000
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2	Agreement on SAFTA between India and Nepal	Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan and the Maldives	4th January, 2004	1st January, 2006 (Tariff concessions implemented from 1st July, 2006)
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3	Revised Agreement of Cooperation between Government of India and Nepal to control unauthorized Ntrade	Nepal	27.10.2009	27.10.2009
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4 India-Bhutan Agreement Bhutan 17.1.1972 Renewed periodically,
on Trade Commerce and with mutually agreed
Transit modifications.

5 India- Thailand FTA- Thailand 1.9.2004 1.9.2004
Early Harvest Scheme
(EHS)

6 India-Singapore Singapore 29.6.2005 1st August, 2005
Comprehensive
Economic
Cooperation
Agreement (CECA)

7 India-ASEAN Brunei, Cambodia, 13.8.2009 1.1.2010
Comprehensive Indonesia, Laos,
Economic Malaysia, Myanmar,
Cooperation Philippines,
Agreement Singapore,
(CECA) - Thailand
only part and Vietnam
dealing with
Trade in Goods
signed

8 India-S. Korea S. Korea 7.08. 2009 1.1.2010
Comprehensive
Economic
Partnership
Agreement (CEPA)

(ii) Preferential Trade Agreements:

SN Name of the Partner country/ies Date of Signing Date of Implementation Agreement of the Agreement of the Agreement

1 Asia Pacific Bangladesh, China, July, 1975(revised 1st Nov,1976 Trade India, Republic Agreement signed on Agreement of Korea, Sri Lanka 2nd November, 2005 (APTA)

2 G S T P Algeria, Argentina, April, 1988 April,1989 Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran, Iraq, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, Venezuela, Viet Nam, Yugoslavia, Zimbabwe)

3 India-Afghanistan Afghanistan 6th March, 2003 May,2003

4 India-MERCOSUR 25th January, 2004 Implemented w.e.f. June 1, 2009.

5 India-Chile Chile 8th March, 2006 September, 2007

(b) and (c) Yes, Sir, following is a list of the countries with whom India is negotiating Free Trade Agreements and details of such negotiations:

SN Name of the Partner country/ies Details
Agreement

1 India- Japan CEPA Japan Negotiations completed.
The proposed agreement
covers the areas of Goods,
Services, Investment,
Intellectual Property

- 2 India-EU BTIA Austria, Belgium, Bulgaria, Negotiations launched on Cyprus, Czech Republic, Denmark, 28th June 2007 in the areas Estonia Finland, France, Germany, of Goods, Services, Greece, Hungary, Ireland, Italy, Investment, Sanitary Latvia, Lithuania, Luxembourg, and Phyto-sanitary Malta, Netherlands, Poland, Measures, Technical Portugal, Romania, Slovakia, Barriers to Trade, Slovenia, Spain, Sweden, Trade Facilitation United Kingdom and Customs Cooperation, Competition, IPR & GIs. etc
- 3 India-ASEAN CECA- Brunei, Cambodia, Indonesia, Negotiations on Trade Services and Laos, Malaysia, Myanmar, in Services and Investment Investment Philippines, Singapore, are under way. Agreement Thailand and Vietnam
- 4 India - Sri Lanka FTA in goods implemented from Lanka CEPA March 2000. Negotiations on Investments and Services underway.
- 5 India-Thailand CECA Thailand Early Harvest Scheme on 82 items implemented. Negotiations for Comprehensive Economic Cooperation Agreement underway.
- 6 India-Malaysia CECA Malaysia Negotiations for Comprehensive Economic Cooperation Agreement underway.
- 7 India-Mauritius CECPA Mauritius Negotiations for a Comprehensive Economic Cooperation Agreement are at a standstill since the tenth round held on October, 2006.
- 8 India EFTA BTIA Iceland, Norway, Liechtenstein and Switzerland Negotiations for Comprehensive Economic Cooperation Agreement underway.
- 9 India-New Zealand FTA/CECA New Zealand Negotiations for Comprehensive Economic Cooperation Agreement underway.

- 10 India -Israel FTA Israel Negotiations for Comprehensive Economic Cooperation Agreement underway.
- 11 India-Singapore CECA Singapore Negotiations for Comprehensive Economic Cooperation Agreement underway.
- 12 India-SACU PTA South Africa, Botswana, Lesotho, Swaziland and Namibia Negotiations for Comprehensive Economic Cooperation Agreement underway.
- 13 Indian Mercosur PTA Argentina, Brazil, Paraguay and Uruguay The existing agreement is being expanded by widening product coverage and deepening preferences
- 14 India -Chile PTA Chile The existing agreement is being expanded by widening product coverage and deepening preferences.
- 15 BIMSTEC CECA Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal Negotiations for Comprehensive Economic Cooperation Agreement underway.
- 16 India-GCC Saudi Arabia, Oman, Kuwait, Bahrain, Qatar and Yemen. Negotiations for Comprehensive Economic Cooperation Agreement underway.
- 17 India -Canada FTA Canada Negotiations for a Comprehensive Economic Cooperation Agreement started in Nov 2010.

(d) Before entering into negotiations with its trading partners, studies are undertaken internally, as well as through the joint study groups to evaluate the feasibility of the proposed FTAs, including their impact on the domestic industry. Consultations are also held with the domestic stakeholders including the Apex Chambers of Commerce and Industry, industry associations as well as the administrative Ministries and Departments.

(e) to (g) Yes. All of India's major Free Trade Agreements incorporate a number of provisions to protect the interest of domestic industry and also prevent products from third countries taking advantage of the FTA. The chapter on Rules of Origin ensures that only goods produced in the FTA partner country qualifies for benefits under the FTA when imported into India. These Rules also ensure that raw material and other inputs to a production process coming from a non partner country are sufficiently processed in the FTA partner country before being exported to India.

Free Trade Agreements also protect items considered sensitive by retaining them in the sensitive/ negative lists of items on which

limited or no tariff concessions are granted. In addition, in case of surge in imports and injury to the domestic industry, India can suspend or withdraw the tariff concessions to a product taking recourse to measures such as anti-dumping and safeguards.