

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

UNSTARRED QUESTION NO:1342

ANSWERED ON:08.08.2011

IMPORT DUTY INCENTIVE TO AUTOMOBILES

Reddy Shri Anantha Venkatarami;Singh Alias Pappu Singh Shri Uday;Vyas Dr.(Kum.) Girija

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

- (a) whether the Government is likely to conclude a Free Trade Agreement (FTA) with European Union and if so, the details thereof;
- (b) whether the Government has made any comparative assessment of the potential impact of such FTA including the benefits/profitability of the two parties;
- (c) whether the Government has agreed to permit imports of automobiles from the European Union and provide import duty incentives for it; and
- (d) if so, the details thereof and its impact on domestic automobile industry and import from other countries like Japan and action proposed to be taken by the Government to offset the negative fallout, if any?

**Answer**

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

- (a) The Government of India is negotiating a bilateral Broad based Trade and Investment Agreement (BTIA) with the European Union (EU). Negotiations are at an advanced stage.
- (b) The High Level Trade Group Report clearly states that "there is a compelling case to take the trade and investment relationship between the EU and India to a higher stage". It is of the view that 'significant' benefits would accrue to both sides.
- (c) &(d) The negotiations are ongoing. Requests have been made on a variety of sectors including automobiles. Negotiating stands on all market access issues are crystallized after extensive consultations with all stakeholders and with a view to ensuring that the agreement as and when concluded will lead to positive outcomes for the country as a whole and the particular sector specifically.