

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

STARRED QUESTION NO:358

ANSWERED ON:19.12.2011

FREE TRADE AGREEMENTS

Khaira Shri Chandrakant Bhaurao;Singh Smt. Meena

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

- (a) the details of the export and import with each of the countries with which India has entered into Free Trade Agreements or Comprehensive Economic Partnership Agreement during each of the last three years, sector-wise, quantum-wise and value-wise;
- (b) whether the Government is negotiating any such agreement with certain other countries including Israel, West Asian and African countries;
- (c) if so, the criteria adopted, action plan formulated and priority areas identified for the purpose;
- (d) the progress made in regard to the implementation of these agreements with each country; and
- (e) whether the Government has made any assessment regarding the likely impact of these free trade agreements on the domestic industries including the steel industry, the agricultural sector as well as on the net inflow of foreign investments and if so, the details thereof?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

a) to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 358 FOR ANSWER ON 19TH DECEMBER 2011 REGARDING "FREE TRADE AGREEMENTS"

(a) India has entered into the following 4 Free Trade Agreements in the last three years.

S.No. Name of the Agreement Date of Signing

1. India - ASEAN Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) 13.8.2009
2. India - South Korea Comprehensive Economic Partnership Agreement (CEPA) 07.08.2009
3. India - Japan CEPA 16.02.2011
4. India - Malaysia Comprehensive Economic Cooperation Agreement (CECA) 18.02.2011

The sector-wise value of the exports and imports for the above countries is Annexed. Quantity-wise data of the exports and imports is captured at the product level (Harmonised Structure Classification at 6 and 8 digit levels) and is available at Department of Commerce's website (<http://commerce.nic.in/eidb/default.asp>).

(b) The Government is currently negotiating the following FTAs:

S. No. Name of the Agreement & the Partner Country

- 1 India - EU BTIA (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta,

Netherlands, Poland, Portugal, Romania,
Slovakia, Slovenia, Spain, Sweden, United
Kingdom)

- 2 India - ASEAN CECA- Services and Investment Agreement
(Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar,
Philippines, Singapore, Thailand and Vietnam)
- 3 India - Sri Lanka CEPA
- 4 India - Thailand CECA
- 5 India - Mauritius CECPA
- 6 India - EFTA BTIA (Iceland, Norway, Liechtenstein and Switzerland)
- 7 India - New Zealand FTA/CECA
- 8 India - Israel FTA
- 9 India - Singapore CECA (Review)
- 10 India - Southern African Customs Union (SACU) PTA
(South Africa, Botswana, Lesotho, Swaziland and Namibia)
- 11 Indian - MERCOSUR PTA
(Argentina, Brazil, Paraguay and Uruguay)
- 12 India - Chile PTA
- 13 BIMSTEC CECA
(Bangladesh, India, Myanmar, Sri Lanka,
Thailand, Bhutan and Nepal)
- 14 India - Gulf Cooperation Council (GCC) Framework Agreement
(Saudi Arabia, Oman, Kuwait, Bahrain, Qatar and Yemen.)
- 15 India - Canada CEPA
- 16 India - Indonesia Comprehensive Economic Cooperation Agreement (CECA)
- 17 India-Australia CECA

(c) Expanding market for products of Indian industry and ensuring inputs at competitive price is the key criteria in identifying the FTA partner country. Action plan involves negotiating greater market access for the items of India's exports interests and protecting the interest of domestic industry. Seeking market access through negotiations in Goods, Services and Investments is the major priority area for India's FTAs.

(d) All the 4 FTAs that India has entered into in the past three years have been implemented and are operational. The date of implementation of these 4 FTAs is given in the following table:

S. No. Name of the Agreement Date of implementation

1. India - ASEAN Trade in Goods Agreement# 01.01.2010#
2. India - South Korea CEPA 01.01.2010
3. India - Japan CEPA 01.08.2011
4. India - Malaysia CECA 01.07.2011

India – ASEAN Trade in Goods Agreement has come into force on 1st January 2010 in respect of India and Malaysia, Singapore, Thailand, on 1st June 2010 in respect of India and Vietnam, on 1st September 2010 in respect of India and Myanmar, 1st October 2010 in respect of India and Indonesia, 1st November in respect of India and Brunei, 24 January 2011 in respect of India and Laos, 1st June 2011 in respect of India and the Philippines and 1st August, 2011 in respect of India and Cambodia.

(e) Impact evaluation of FTAs is a continuous process which starts even before FTA negotiations are entered into. Before entering into negotiations with its trading partners, studies are undertaken internally, as well as through the Joint Study Group (JSG) to study the feasibility of the proposed FTAs, including their impact on the domestic industry and agriculture sector. 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. In order to protect the interest of the domestic industry and agriculture sector, these agreements provide for maintaining sensitive/negative lists of items on which limited or no tariff concessions are granted under the FTA. In addition, in case of a surge in imports and injury to the domestic industry, a country is allowed to take recourse to the measures such as anti-dumping and safeguards. Every FTA has a joint review mechanism which monitors the implementation of the FTA. India's Trade Agreement with Singapore is currently under review. India's trade and economic relations with all its FTA partners have increased substantially.