

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

STARRED QUESTION NO:234

ANSWERED ON:10.12.2012

FREE TRADE AGREEMENTS

Mahto Shri Baidyanath Prasad;Owaisi Shri Asaduddin

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

- (a) the details of the countries with which India has entered into Free Trade Agreement (FTA) during the last three years and the current year;
- (b) whether the Government proposes to enter into new FTA or review the existing FTAs with other countries including the countries in the Association of South-East Asian Nations (ASEAN) region for enhanced cooperation and investment and boosting trade;
- (c) if so, the details thereof and the time likely to be taken to conclude the ongoing negotiations along with the details of the total trade carried on with these countries during the said period including the priority areas identified for the purpose;
- (d) whether any assessment has been made by the Government regarding the impact of these FTAs on the services and investments along with the domestic industries and farmers and if so, the details thereof; and
- (e) whether the Government feels the need to amend several laws including making provision for tax relaxation to meet the requirements of the international trade agreements ratified by India and if so, the details thereof and the steps taken by the Government in this regard?

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.234 FOR ANSWER ON 10¹ DECEMBER 2012 REGARDING ' FREE TRADE AGREEMENTS '

(a) The details of the countries with which India has entered into Free Trade Agreement (FTA) during the last three years and the current year are given below. No FTA has been signed during the current year.

s.No.	Name of the Agreement	Date of Signing	Date of implementation
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1.	India - ASEAN Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)	13.08.2009	1st January 2010 in respect of India and Malaysia, Singapore, Thailand. 1st June 2010 in respect of India and Vietnam. 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. 1st August, 2011 in respect of India and Cambodia.
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2.	India - South Korea Comprehensive Economic	07.08. 2009	01.01.2010
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Partnership Agreement

3. India - Japan Comprehensive Economic Partnership Agreement 16.02.2011 01.08.2011
4. India - Malaysia Comprehensive Economic Cooperation Agreement 18.02.2011 01.07. 2011

(b) & (c) Yes, Madam. The Government is negotiating new FTAs / expansion of existing FTAs with the countries listed below:-

s.No. Name of the Agreement and Partner Countries

1. India - EU Bilateral Trade and Investment Agreement (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 CECTA
6. India - EFTA BTIA (Iceland, Norway, Liechtenstein and Switzerland)
7. India - New Zealand FTA/CECA
8. India - Israel FTA
9. India - Singapore CECA (Second Review)

10. India - Southern African Customs Union (SACU) Preferential Trade Agreement (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

Negotiations continue and it is difficult to predict a time-line to conclude the ongoing negotiations. The priority areas for India's FTAs are seeking market access through negotiations in Goods, Services and Investments. The details of the total trade carried on with India's FTA partner countries during the said period are annexed.

(d) Evaluation of the impact 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 industries, services and agricultural sector. The JSG report, on the basis of which FTA negotiations are launched. In order to protect the interest of the domestic industries and agricultural 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 measures such as anti-dumping and safeguards. Every FTA has a Joint Review Mechanism to monitor the implementation of the FTA. For example, currently Second Review of India-Singapore CECA is underway. India's trade and economic relations with all its FTA partners have increased substantially.

(e) India observes all its international commitments and accordingly the customs tariffs are reduced as per the agreed Tariff Liberalisation Programme under FTAs.