

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

UNSTARRED QUESTION NO:1104

ANSWERED ON:04.03.2013

SHIPPING OPERATION TO BOOST TRADE

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

- (a) whether India has urged Bangladesh to allow smaller ships to operate between Chittagong and Vishakhapatnam to help faster movement of goods and also reduce the transshipment cost;
- (b) if so, the details thereof;
- (c) whether India has also requested Bangladesh to notify the Generalised System of Preferences (GSP) which have been extended by the European Union to Bangladesh and other Least Developed Countries;
- (d) if so, the details thereof and the reasons therefor along with the reaction of the Government of Bangladesh to the aforesaid proposals; and
- (e) the specific steps taken/proposed to be taken by the Government to boost the trade between the two countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a) Yes Madam,

(b) The feasibility and potential of Coastal Shipping between India and Bangladesh was discussed in the Shipping Secretary-level talks held on 2nd – 3rd July, 2012 in Dhaka, Bangladesh. Subsequently, it was also discussed in the Directors General (Shipping) level talks held on 26th September, 2012 at Visakhapatnam, India and on 14-15 January, 2013 at Cox's Bazar, Bangladesh. The issue was again discussed in the recent Shipping Secretary-level talks held on 27th February, 2013 in New Delhi, India.

(c) Yes Madam.

(d) India has requested for extending the benefit of certification of GSP on the fabrics and other inputs imported from India towards GSP benefits from European Union (EU) under the South Asian Association for Regional Cooperation (SAARC) cumulation. Bangladesh Government has not accepted Indian request.

(e) India has reduced its Sensitive List for the Least Developed Countries (including Bangladesh) under the South Asian Free Trade Area Agreement (SAFTA) from 480 tariff lines to just 25 tariff lines. Zero basic customs duty access has been given to all items removed from the sensitive list. Commensurately, Bangladesh has also reduced its SAFTA sensitive list for non-LDCs (including India) from 1241 tariff lines to 993 tariff lines (20% reduction). Both Governments have taken necessary steps to improve physical infrastructure for greater bilateral trade facilitation. In addition to the above, two Border Haats in Meghalaya on India- Bangladesh border at Baliamari (Bangladesh) - Kalaichar (India) and at Lauwaghar (Bangladesh)- Balat (India) are operational allowing traditional system of marketing in local currency and /or Barter basis. To further enhance bilateral trade, an "India Show" was also organized jointly by the Government of India and the Federation of Indian Chambers of Commerce & Industry (FICCI) at Dhaka, Bangladesh from 3-5 December, 2012.