

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

UNSTARRED QUESTION NO:1147

ANSWERED ON:04.03.2013

FTA WITH ASEAN

Semmalai Shri S. ;Thamaraiselvan Shri R.

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

- (a) the details of countries with which India has entered into Free Trade Agreement (FTA) on services and investments including countries in the Association of South East Asian Nations (ASEAN) region during each of the last three years and the current year;
- (b) whether the Government proposes to enter into new FTA or review the existing FTAs with these countries for enhanced cooperation and investments;
- (c) if so, the details thereof and the time likely to be taken to conclude the ongoing negotiations;
- (d) the details of the total trade carried on with these countries during the said period including the priority areas identified for the purpose along with the target fixed for the trade with the ASEAN countries for the next three years;
- (e) whether any assessment has been made by the Government regarding the impact of these FTAs on the services and investments; and
- (f) if so, the details thereof?

Answer

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

(a) The details of countries with which India has entered into Free Trade Agreement (FTA) on services and investments including countries in the Association of South East Asian Nations (ASEAN) region during each of the last three years are given below:-

S. No. Name of the Agreement Date of Signing Date of implementation

1. India - South Korea Compr 07.08. 2009 01.01.2010

ehensive Economic
Partnership Agreement
(CEPA)

2. India - Japan Compr 16.02.2011 01.08.2011

ehensive Economic
Partnership Agreement
(CEPA)

3. India - Malaysia Compr 18.02.2011 01.07. 2011

ehensive Economic
Cooperation Agreement
(CECA)

No FTA has been signed during the current year. India - ASEAN have concluded negotiations on India-ASEAN Agreement on Trade in Services and Agreement.

(b) & (c) The Government is negotiating new FTAs, including expansion / review of some of the 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 – Sri Lanka CEPA
3. India - Thailand CECA
4. India - Mauritius CECPA
5. India - EFTA BTIA (Iceland, Norway, Liechtenstein and Switzerland)
6. India - New Zealand FTA/CECA
7. India – Israel FTA
8. India - Singapore CECA (Second Review)
9. India – Southern African Customs Union (SACU) Preferential Trade Agreement (PTA) (South Africa, Botswana, Lesotho, Swaziland and Namibia)
10. Indian - MERCOSUR PTA (expansion) (Argentina, Brazil, Paraguay and Uruguay)
11. India – Chile PTA (expansion)
12. BIMSTEC CECA (Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal)
13. India – Gulf Cooperation Council (GCC) Framework Agreement (Saudi Arabia, Oman, Kuwait, Bahrain, Qatar and Yemen.)
14. India – Canada CEPA
15. India - Indonesia Comprehensive Economic Cooperation Agreement (CECA)
16. India-Australia CECA

Negotiations continue and it is difficult to predict a time-line to conclude the ongoing negotiations.

(d) The details of the total trade carried on with these countries during the said period are annexed. India and Korea have set a bilateral trade target of US\$ 40 billion by 2015. India and Malaysia have agreed to target a bilateral trade volume of US\$15 billion by 2015. India and Japan has set a bilateral trade target of US\$ 25 billion by 2014.

(e) & (f) 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 and agricultural sector. The JSG report, on the basis of which FTA negotiations are launched, is made available on the Departments of Commerce website (<http://commerce.gov.in>). 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. The CEPA with South Korea has come into force on 01.01.2010 while CEPA with Japan and CECA with Malaysia have come into force only on 1st July, 2011 and 01.08.2011 respectively.