

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

UNSTARRED QUESTION NO:192  
ANSWERED ON:05.08.2013  
CEPA WITH JAPAN  
Antony Shri Anto

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

- (a) the details of the total trade carried out between India and Japan;
- (b) whether India has concluded the Comprehensive Economic Partnership Agreement with Japan and if so, the details thereof along with its salient features;
- (c) whether the CEPA with Japan has any provision for reducing India's trade deficit with Japan and open up Japanese markets for Indian products;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) whether the Government proposes to take up the aforesaid matters with the Japanese Government and if not, the reasons therefor?

**Answer**

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

a): The details of the total trade carried out between India and Japan during the last five years is as under:-

Values in US \$ Millions (as on 29.7.2013)					
S.No.	\Year	2008-2009	2009-2010	2010-2011	2011-2012 2012-2013
1. EXPORT	3,025.70	3,629.54	5,091.24	6,328.54	6,099.06
2. %Growth	19.96	40.27	24.30	-3.63	
3. %Share in total exports of India	1.63	2.03	2.03	2.07	2.03
4. IMPORT	7,886.27	6,734.18	8,632.03	12,100.57	12,514.07
5. %Growth	-14.61	28.18	40.18	3.42	
6. %Share in total imports of India	2.60	2.34	2.33	2.47	2.54
7. TOTAL TRADE	10,911.97	10,363.72	13,723.27	18,429.10	18,613.14
8. %Growth	-5.02	32.42	34.29	1.00	
9. %Share in total trade of India	2.23	2.22	2.21	2.32	2.35
10. TRADE BALANCE	-4860.57	-3104.64	-3540.79	-5772.03	-6415.01

(source:DGCI&S, Kolkata)

(b): Yes Madam, a Comprehensive Economic Partnership Agreement (CEPA) was signed between India and Japan on 16th February 2011 and it came into force from 1st August, 2011. The salient features of India-Japan CEPA are as follows:

# The Agreement is most comprehensive of all the agreements concluded by India so far as it covers more than 90% of the bilateral trade between India and Japan. Japan and India have liberalized 92 % and 87.16% of tariff lines at six digits respectively.

# The agreement covers Goods, Services, Rules of Origin, Movement of Natural Persons, Telecom, Financial services, Investment, IPRs, Government Procurement, Sanitary and Phytosanitary Measures, Customs Procedures and Cooperation in other Areas.

# India has offered only 17.4% of tariff lines for immediate reduction of tariff to zero duty, as against 87% of tariff lines offered by Japan for zero duty on 1st August, 2011.

# From Indian side Tariff will be brought to zero duty in 10 years on 66.32% of tariff lines to give sufficient time to Industry to adjust to the trade liberalization.

# India's exclusion list covers 12.84% of all tariff lines and 9.9% of volume of trade, as against Japan's exclusion list covering only 8%

of all tariff lines and 3% volume of trade.

# CEPA provides for an institutional mechanism to encourage and improve Business/investment environment. India seeks greater investment by the Japanese companies.

(c) to (e): Though there is no specific provision in the CEPA for reducing India's trade deficit with Japan, Free Trade Agreements (FTAs) promote stronger trade and commercial ties between participating countries, and open up opportunities for exporters and investors to expand their business in the tariff lines which are opened or in which tariff is reduced. The tariff lines are liberalized between the two countries thus giving impetus to trade which can bring down trade deficit between the countries.