

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

UNSTARRED QUESTION NO:892

ANSWERED ON:21.11.2016

Concessions and Benefits under Trade Agreements

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

- (a) the trade concessions being extended to the countries by India under Asia Pacific Trade Agreements (APTA) and the reciprocal concessions received by India under the said agreement;
- (b) whether the Government has decided to ease rules for import of railway locomotives, nuclear plants, fissile materials and aircraft under APTA and if so, the details thereof and the reasons therefor;
- (c) the progress in talks on India's membership to Regional Comprehensive Economic Partnership (RCEP) and Trans Pacific Partnership (TPP);
- (d) the benefits to India from joining RCEP and TPP other than those already accruing from being part of APTA; and
- (e) the steps taken by the Government to prevent the Free Trade Agreements from hurting the local manufacturing?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)  
(SMT. NIRMALA SITHARAMAN)

(a) & (b): The tariff concessions being granted to Asia Pacific Trade Agreement (APTA) member States, on Margin of Preference basis, under the fourth round of exchange of tariff concessions, includes certain tariff lines relating to railway locomotives, nuclear plants, fissile material and aircraft. The Union Cabinet, in its meeting on 12th September, 2016 has approved the exchange of these tariff concessions. The decisions of the Cabinet would be implemented at the next meeting of the Ministerial Council of APTA.

The APTA (formerly the Bangkok Agreement) is an Agreement signed since 1975. Three Rounds of tariff concessions have already been exchanged among the member countries till 2003. The current membership of APTA consists of six countries, namely, Bangladesh, China, India, Lao PDR, Republic of Korea, and Sri Lanka.

(c) & (d): India is part of the Regional Comprehensive Economic Partnership (RCEP) which is a proposed Free Trade Agreement (FTA) amongst sixteen countries consisting of ten ASEAN member states and their six Free Trade Partners namely India, Australia, China, Japan, New Zealand and Republic of Korea. The RCEP is intended to facilitate and thereby increase goods and services trade as well as investment flows amongst the participating countries. India has stressed on the need for parallelism between the negotiations on goods and services. The negotiations of the Trans-Pacific Partnership (TPP) have been concluded but the agreement is not yet ratified for implementation by the participating countries. India is not part of the Trans-Pacific Partnership Agreement.

(e) : In order to protect the interest of the local manufacturing (domestic industry), the FTAs provide for maintaining sensitive/negative lists of items on which limited or no tariff concessions are granted under the agreement. 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.

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