

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

UNSTARRED QUESTION NO:3190

ANSWERED ON:05.12.2016

Trade Agreement between India and Bhutan

Adsul Shri Anandrao ;Chavan Shri Ashok Shankarrao;Gaikwad Dr. Sunil Baliram;Gupta Shri Sudheer;Kirtikar Shri Gajanan Chandrakant;Mahato Shri Bidyut Baran;Munde Dr.Pritam Gopinath;Radhakrishnan Shri T.;Raut Shri Vinayak Bhaurao;S.R. Shri Vijay Kumar;Singh Shri Kunwar Haribansh;Yadav Shri Dharmendra

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

- (a) the details of the Commodities which are presently being traded between India and Bhutan;
- (b) whether India and Bhutan have recently signed any Agreement on Trade, Commerce and Transit to enhance trade between the two countries through trade facilitation and if so, the details thereof along with its main features;
- (c) the extent to which India is likely to be benefited from the said agreement along with the extent to which this agreement will facilitate improving procedures, cutting down on documentation and adding additional exit/entry points for Bhutan's trade with other countries; and
- (d) the time when the first agreement was signed with Bhutan indicating the number of times it was extended along with the steps taken to boost trade with Bhutan?

Answer

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

(a): In 2015-16, the major commodities exported from India to Bhutan were petroleum products, machine tools, motor vehicles/cars, products of iron and steel etc. while the major imports from Bhutan were power, iron and steel, inorganic chemicals, plastic sheet and film, alcoholic beverages etc.

(b) and (c): India and Bhutan have signed an Agreement on Trade, Commerce and Transit on 12th November 2016, which provides for a free trade regime between the two countries aimed at boosting the bilateral trade for mutual benefit. The Agreement also aims at facilitating Bhutan's trade with third countries through an improved procedure for containerised cargo, striving towards use of electronic means to facilitate the movement of transit cargo, additional entry/exit points in India, etc.

(d): An Agreement on Trade and Commerce between India and Bhutan was first signed on 17th January, 1972. Since then, the Agreement has been renewed/revised five times, including the agreement signed on 12th November 2016.

The Government continues to engage proactively with Bhutan to strengthen trade and economic relations, inter-alia, through taking up the issues impacting the bilateral trade for early resolution, holding bilateral and multilateral trade discussions from time to time, efforts for improvement of trade infrastructure along the border, providing assistance under Market Access Initiative (MAI) and Market Development Assistance (MDA) schemes to Indian exporters, Export Promotion Councils, Apex Trade Bodies etc. for participation in events in foreign countries, including Bhutan, etc.
