

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1837**  
**TO BE ANSWERED ON 06<sup>th</sup> MARCH, 2020**

**IMPACT OF FREE TRADE AGREEMENTS**

1837. SHRI MANISH GUPTA:

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

- (a) whether the existing Free Trade Agreements (FTAs) with other countries have benefited the economy so far, if so, the details thereof;
- (b) whether any independent study has been done to assess the impact of FTAs on the widened Current Account Deficit in the country, if so, the details thereof; and
- (c) whether the present review of such agreements would ensure built-in safeguards to protect the prices of domestic products, if so, the details thereof?

**ANSWER**

THE MINISTER OF COMMERCE AND INDUSTRY  
(SHRI PIYUSH GOYAL)

**(a) to (c)** : India's asymmetrical tariff commitments with some of its Free Trade Agreement (FTA) partners like the ASEAN Member States could have contributed to its trade deficit. India's overall trade deficit with ASEAN from the date of implementation has steadily increased from 2010-11 until 2018-19 by more than 4 times from \$ 5.0 billion to \$ 21.8 billion. Non-tariff barriers in many of the FTA partner countries are also an important factor contributing to this trade deficit. While there has been growth rate in both imports from and exports to FTA partners, the utilisation rate of FTAs both for India and its partners has been moderate. The impact assessment of FTAs is a continuous process which is undertaken both in terms of data analysis and stakeholder consultations. The awareness of FTAs is undertaken through outreaches organized across the country so as to enhance the utilisation rate of our preferential exports. In order to protect the interest of the domestic industry and agriculture sector, FTAs provide for maintaining sensitive, negative or exclusion list of items on which limited or no tariff concessions are granted. In addition, in case of surge in imports and injury to the domestic industry, a country is allowed to take recourse to trade remedial measures such as anti-dumping and safeguards on imports

\*\*\*\*\*\_