

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

LOK SABHA
UNSTARRED QUESTION NO. 2042(H)
TO BE ANSWERED ON 28th NOVEMBER, 2016

FREE TRADE AGREEMENTS

2042(H). SHRI M.B. RAJESH:

SHRI PRABHAKAR REDDY KOTHA:

SHRI NANA PATOLE:

SHRI DADDAN MISHRA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) the details of the Free Trade Agreements (FTAs) signed by India with other countries, country-wise;
- (b) whether the Government proposes to sign FTAs with various other countries and trading blocs including the United Kingdom and the European Union and if so, the details thereof along with the current status of FTA negotiations with these countries and trading blocs;
- (c) whether the Government periodically reviews the FTAs to assess the impact of these agreements and if so, the details thereof;
- (d) whether the Government has recently convened a high-level meeting to discuss the working and implications of FTAs on India and if so, the details thereof along with the discussions held therein and the outcome of the said meeting on continuation of FTAs with other countries; and
- (e) whether there has been an increase in unemployment in the country as a result of Free Trade Policy and if so, the details thereof along with the reaction of the Government thereto?

ANSWER

वाणिज्य एवं उद्योग राज्य मंत्री (श्रीमती निर्मला सीतारमण) (स्वतंत्र प्रभार)

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

- (a) The details of the Free Trade Agreements (FTAs), including Comprehensive Economic Cooperation Agreements or CECAs and Comprehensive Economic Partnership Agreements or CEPA and Preferential Trade Agreements entered into by India is given in Annexure-I and Annexure-II respectively.
- (b) There is no formal proposal of an FTA between India and the United Kingdom.

However, Government of India is engaged in review/ negotiation of 20 trade agreements with various countries and trading blocs. The details are given in Annexure-III.

- (c) The review of the trade agreements is undertaken on the basis of mutual consent of trading partners. The impact of FTAs is assessed on a regular basis in consultation with various stakeholders, including industry representatives as well as Administrative Ministries/Departments.
- (d) The Department of Commerce convened the first meeting of the reconstituted Board of Trade (BoT) on 6 April, 2016. The participants included senior officials of the government, prominent captains of the industry and think tanks. On Free Trade Agreements, BoT emphasized on the need for giving thrust to the domestic industry by focussing on competitive sectors. It suggested holding regular consultations with industry associations on these agreements and put in place review mechanisms to address industry specific issues from time to time. The suggestions have been taken on board in the overall approach of the government on trade agreements.
- (e) No Madam, there is no evidence to suggest that unemployment has increased in the country due to free trade agreements.

FTAs already in force:

SN	Name of the Agreement	Date of Signing of the Agreement	Date of Implementation of the Agreement
1	India - Sri Lanka FTA	28th December, 1998	1 st March, 2000
2	Agreement on SAFTA (India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, the Maldives and Afghanistan)	4th January, 2004	1st January, 2006 (<i>Tariff concessions implemented from 1st July, 2006</i>)
3	Revised Agreement of Cooperation between Government of India and Nepal to control unauthorized trade	27 th October, 2009	27 th October, 2009
4	India - Bhutan Agreement on Trade Commerce and Transit	17 th January, 1972	Renewed periodically, with mutually agreed modifications.
5	India - Thailand FTA - Early Harvest Scheme (EHS)	9 th October, 2003.	1 st September, 2004
6	India - Singapore CECA	29th June, 2005	1st August, 2005
7	India - ASEAN- CECA - Trade in Goods, Services and Investment Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)	13 th August, 2009 for goods and November, 2014 for Services and Investment	<p>Goods</p> <ul style="list-style-type: none"> • 1st January 2010 in respect of India and Malaysia, Singapore, Thailand. • 1st June 2010 in respect of India and Vietnam. • 1st September 2010 in respect of India and Myanmar. • 1st October 2010 in respect of India and Indonesia. • 1st November 2010 in respect of India and Brunei. • 24 January 2011 in respect of India and Laos. • 1st June 2011 in respect of India and the Philippines. • 1st August, 2011 in respect of India and Cambodia. <p>Services and Investment 1 July, 2015</p>
8	India - South Korea CEPA	7 th August 2009	1 st January, 2010
9	India - Japan CEPA	16 th February, 2011	1 st August, 2011
10	India - Malaysia CECA	18 th February, 2011	1 st July, 2011

PTAs already in force:

S. No.	Name of the Agreement	Date of Signing of the Agreement	Date of Implementation of the Agreement
1	Asia Pacific Trade Agreement (APTA) (Bangladesh, China, India, Republic of Korea, Sri Lanka)	July, 1975 (revised on 2 nd November, 2005)	1st Nov, 1976
2	Global System of Trade Preferences (GSTP) (Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran, Iraq, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, Venezuela, Viet Nam, Yugoslavia, Zimbabwe)	13 th April, 1988	19 th April, 1989
3	SAARC Preferential Trading Agreement (SAPTA)	11 April, 1993	7 December, 1995
4	India - Afghanistan	6th March, 2003	13 th May, 2003
5	India - MERCOSUR	25th January, 2004	1st June, 2009
6	India - Chile	8 th March, 2006	11 th September, 2007

FTAs/PTAs under Negotiation/Review:

S. No.	Name of the Agreement	Status
1	India - EU BTIA (Austria, Belgium, Bulgaria, Croatia, 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)	Negotiations launched on 28 th June 2007 in the areas of Goods, Services, Investment, Sanitary and Phyto-sanitary Measures, Technical Barriers to Trade, Trade Facilitation and Customs Cooperation, Competition, IPR & GIs. Etc Sixteen rounds of negotiations and a number of inter-sessional and Chief Negotiator level meetings have been held till date. A Ministerial review meeting between Hon'ble Commerce & Industry Minister and EU's Trade Commissioner was held on 15 th April, 2013 at Brussels. After a period of lull, the negotiations were revived with 3 stocktaking meetings in January, February, and July, 2016.
2	India – Sri Lanka Economic and Technical Cooperation Agreements (ETCA)	The agreement on a Framework is being discussed with Sri Lanka. Two rounds of negotiations have been held so far. 2 nd round of negotiations of the ETCA was held on 29-30 th September, 2016 at New Delhi.
3	India - Thailand CECA	Early Harvest Scheme on 82 items implemented. So far 30 rounds of India-Thailand Trade Negotiation committee (ITTNC) meetings have been held. The 30 th round was held on 13-14 July, 2016 in New Delhi.
4	India - Mauritius CECPA	Ten rounds of negotiations on India-Mauritius CECPA have been held between the two sides so far. The last round of negotiation was held between India and Mauritius on 23–24 October, 2006. However, CECPA negotiations have been formally put on hold.
5	India EFTA TEPA (Iceland, Norway, Liechtenstein and Switzerland)	The India-EFTA TEPA (Trade and Economic Partnership Agreement) was launched in January 2008 (then known as BTIA). The first round was held in New Delhi during 6-8 October, 2008. The Chapters covered are Trade in Goods, Services, Investment,, Sanitary and Phyto-sanitary Measures (SPS), Technical Barriers to Trade(TBT), Trade Facilitation and Customs Cooperation, Competition, Intellectual Property Rights (IPR), Government Procurement (GP), Dispute Settlement(DS), Trade Defence(TD), Rules of origin(ROO), Sustainable Development (SD) and Legal & Horizontal etc. 14 rounds of negotiations have been held with the 14 th round of negotiation held during 26-28 October, 2016 in Geneva.
6	India - New Zealand FTA/CECA	Ten Rounds of negotiation of CECA have been held so far. The 10 th Round was held in New Delhi on 17-18

S. No.	Name of the Agreement	Status
		February, 2015.
7	India – Israel FTA	Eight rounds of negotiations on India-Israel FTA have been held so far. The Eighth round was held in Israel from 24-26 November, 2013.
8	India - Singapore CECA	Second review of India-Singapore CECA was launched in May, 2010. During the visit of Minister of Commerce & Industry on 15-16 May, 2013 to Singapore, it was decided to constitute a Joint Working Group of Reserve Bank of India and Monetary Authority of Singapore to resolve the issue of Asset Maintenance Requirements in a time bound manner to conclude the 2 nd Review on the issue of Employee Provident Fund.
9	India - SACU PTA (South Africa, Botswana, Lesotho, Swaziland and Namibia)	Five rounds of negotiations have been held so far. 1 st Round of negotiation was held in Pretoria on October 5-6 th , 2007 and the 5 th round of negotiations held in October 2010 in New Delhi. During the 9 th Joint Ministerial Commission (JMC) meeting held at Durban on 19 th March, 2015 under the co-chairmanship of Honorable Minister of External Affairs and South Africa's Foreign Minister, while discussing pending negotiations on finalization of INDIA-SACU PTA, the Indian side requested the South African side for assistance in holding the 6 th round of negotiations.
10	India - Mercosur PTA expansion (Argentina, Brazil, Paraguay and Uruguay)	The two issues currently under discussion on the India-Mercosur PTA are the expansion in coverage and inclusion of Venezuela in the PTA. The expansion negotiations were intensified with the exchange of wish lists on 29 July, 2016.
11	India – Chile PTA expansion	With the objective of gaining optimal benefits and boosting bilateral trade between the two countries, the expansion of India-Chile PTA has been finalized and the signing is expected to take up soon.
12	BIMSTEC CECA (Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal)	20 meetings of the Trade Negotiation Committee (TNC) have taken place. The 20 th Meeting of BIMSTEC Trade Negotiating Committee (TNC) was held during 07-09, September 2015 in Khon Kaen, Thailand.
13	India - Gulf Cooperation Council (GCC) Framework Agreement (Saudi Arabia, Oman, Kuwait, Bahrain, Qatar and United Arab Emirates)	Two rounds of negotiations have been held so far in 2006 and 2008. The second round was held in September 9-10, 2008. No round could take place in the last 7 years since GCC has deferred its negotiations with all countries and economic groups and is currently reviewing its negotiations with all countries and economic groups.

S. No.	Name of the Agreement	Status
14	India – Canada FTA	Nine rounds of negotiation on India-Canada CEPA have been held so far. The Ninth round was held in March, 2015.
15	India - Indonesia Comprehensive Economic Cooperation Agreement (CECA)	Commencement of negotiation on Indonesia - India CECA was announced on 25 th January 2011 during the visit of Indonesian President to New Delhi. Negotiations are yet to commence. The first meeting pre-negotiation and Biennial Trade and Investment Forum (BTIF) took place in Jakarta on October 3-4, 2011. Negotiation has been kept in abeyance watching progress of RCEP.
16	India - Australia	Nine rounds of negotiations have been held so far. The ninth round of negotiations was held on 21-23 September 2015, in New Delhi, India.
17.	India-Malaysia CECA (1 st Review)	1 st meeting of the India-Malaysia Joint Committee meeting to review implementation of the Agreement was held on 8 th December, 2014.
18	Regional Comprehensive Economic Partnership (RCEP) Agreement among ASEAN + 6 FTA Partners (Australia, China, India, Japan, South Korea and New Zealand)	Based on the Declaration of the Leaders during the ASEAN Summit in November, 2012, negotiations for a comprehensive economic partnership between the 10 ASEAN member states and its 6 FTA partners commenced in May, 2013. The 15 th round was held from 13-21 October, 2016 in Tianjin, China with the 4 th RCEP Ministerial held on 5 August, 2016. An Inter-sessional RCEP Ministerial was held on 3-4 November, 2016 at Cebu, Philippines. The negotiations cover a number of areas like trade in goods, services, investment, intellectual property, economic & technical cooperation, competition and legal & institutional issues.
19	India-ASEAN Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) (1 st Review)	The ASEAN Secretariat has agreed to the 1 st review of India-ASEAN trade in Goods Agreement in the coming months. The scope of review was finalized and the first meeting of the Trade Negotiating Committee (TNC) for review was held on 6 April, 2016 in Kuala Lumpur.
20	India-Korea CEPA review	During the Joint Committee meeting at the Ministerial level held on 18 June, 2016 in New Delhi, the two sides declared commencement of negotiation for upgrading India-Korea CEPA. 1 st round of negotiation for upgrading India-Korea CEPA was held on 27-28 October, 2016 in Seoul, South Korea.
