

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

LOK SABHA
UNSTARRED QUESTION NO. 324
TO BE ANSWERED ON 18th DECEMBER, 2017

FREE TRADE AGREEMENTS

324. SHRI KALIKESH N. SINGH DEO:

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

- (a) the details of Free Trade Agreements (FTAs) signed/proposed to be signed by India with other countries including those signed or proposed to be signed with Asian countries/Eurasian Economic Union along with their present status;
- (b) whether the Government has assessed the impact of these FTAs on steel, agriculture and domestic industries and if so, the details thereof along with benefits/ net inflow of foreign investment and the steps taken to protect the agricultural sector from the negative effect of FTAs;
- (c) the details of the export and import made with the countries India has entered into FTAs/Extensive Economic Participation Agreement during the last three years, region/ quantity/price-wise; and
- (d) whether the Government is in talks with many foreign countries to sign new FTA agreements and if so, the norms being followed and the action plan formulated and priority areas identified in this regard along with the progress made with regard to implementation of these agreements, country-wise?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

- (a) The details of the Free Trade Agreements (FTAs)/Comprehensive Economic Cooperation Agreements(CECAs)/Comprehensive Economic Partnership Agreements(CEPA) and Preferential Trade Agreements(PTAs) entered into by India is given in **Annexure-I** and **Annexure-II** respectively. The list of the FTAs/PTAs currently being negotiated is given in **Annexure-III**. As regards an FTA with Eurasian Economic Union, a joint statement to launch negotiations for FTA between India and the Union has been signed on 3 June, 2017.

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- (b) Assessment evaluation of FTAs is a continuous process including on sectors such as steel and agriculture. Before entering into negotiations with its trading partners, studies are undertaken internally, as well as through the Joint Study Group (JSG) to study the feasibility of the proposed FTAs, including their impact on the domestic stakeholders including the Apex Chambers of Commerce and Industry, Industry Associations as well as the Administrative Ministries and Departments. In order to protect the interest of the domestic industry and agriculture sector, these agreements provide for maintaining sensitive/negative lists of items on which limited or no tariff concessions are granted under the FTA. The Government has largely adopted a conservative policy on agricultural products by maintaining a large number of them in the negative list of FTAs. 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.
- (c) The Question does not arise as India has not entered into any new FTA or Preferential Trade Agreement (PTA) during the last three years. However, India expanded the scope of the India-ASEAN Trade in Goods (TIG) Agreement in November, 2014 to cover both Services and Investment with its date of implementation being 1 July, 2015.
- (d) The Department of Commerce is negotiating/reviewing 21 trade agreements with various countries and trading blocs. The details of these agreements under negotiation or review are at Annexure-III. The FTA negotiations are a continuous process and it is difficult to predict a time-line for conclusion.

Annexure-I

FTA's already in force

Sl. No.	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	India Nepal Treaty of Trade	27 th October 2009	The Treaty has been extended for a further period of 7 years and is currently in force till 26 th October 2023.
4	India - Bhutan Agreement on Trade Commerce and Transit	17 th January, 1972	Renewed periodically, with mutually agreed modifications. Agreement dated 29 th July 2006 was valid for 10 years. With mutual consent, the validity was extended for a period of one year or the period till the proposed new Agreement comes into force. The renewed Agreement has been signed on 12.11.2016 and came into force with effect from 29 July 2017.
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	Goods <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.

Sl. No.	Name of the Agreement	Date of Signing of the Agreement	Date of Implementation of the Agreement
			<ul style="list-style-type: none"> • 1st June 2011 in respect of India and the Philippines. • 1st August, 2011 in respect of India and Cambodia. Services and Investment 1 July, 2015
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

Annexure-II

PTAs already in force:

Sl. 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, Lao People's Democratic Republic and 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) (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka)	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. The agreement has been expanded on 6 th September, 2016 and came into force w.e.f. 16 th May, 2017.

Annexure-III

FTAs/PTAs under Negotiation/Review:

Sl. 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 Commerce & Industry Minister and EU's Trade Commissioner was held on 15 th April, 2013 at Brussels. After a period of lull, several attempts were made in 2016 to revive the negotiations through stocktaking meetings at the Chief Negotiators level. The 5 th meeting took place in New Delhi on 14-15 November, 2017.
2	India – Sri Lanka Economic and Technical Cooperation Agreements (ETCA)	The negotiations on the text of the proposed Agreement are being carried out with Sri Lanka. Five rounds of negotiations have been held so far. The 5 th round of negotiations of the ETCA was held on 16-18 August, 2017 in Colombo.
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 Comprehensive Economic Cooperation and Partnership Agreement (CECPA)	Ten rounds of negotiations on India-Mauritius CECPA have been held between the two sides so far, the last round was held on 23–24 October, 2006. Although the CECPA negotiations had been formally put on hold, they were revived in March, 2016 during the visit of the Hon'ble Prime Minister to Mauritius. After resumption, the first meeting of the India-Mauritius was held on 12-13 September, 2016 in Mauritius. The 2 nd meeting of the India-Mauritius was held on 27-28 September, 2017 at New Delhi to finalise the JSG Report.
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,

Sl. No.	Name of the Agreement	Status
		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. So far 17 rounds of negotiations have been held with the last round of negotiations held on 18-21 September, 2017 in New Delhi.
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 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. A stock taking meeting was held on 8 th November, 2016 in New Delhi
9	India - SACU PTA (South Africa, Botswana, Lesotho, Swaziland and Namibia)	Five rounds of negotiations have been held so far, the 5 th round of negotiations was held in October 2010 in New Delhi.
10	India - Mercosur PTA expansion (Argentina, Brazil, Paraguay and Uruguay)	The existing India-MERCOSUR PTA is being expanded. The 3 rd Meeting of Joint Administrative Committee was held in Brasilia on 29 th September, 2016. Both sides exchanged their initial offers on 14.09.2017.
11	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.
12	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 between 2006 and 2008. The second round was held in September 9-10, 2008. Since then GCC has deferred its negotiations and is currently reviewing its negotiations with all countries and economic groups.
13	India – Canada FTA	Nine rounds of negotiation on India-Canada CEPA have been held so far. The Ninth round was held in March, 2015.
14	India - Indonesia Comprehensive Economic Cooperation Agreement	Commencement of negotiation on Indonesia - India CECA was announced on 25 th January 2011. Negotiations have been kept on hold due to RCEP negotiations.

Sl. No.	Name of the Agreement	Status
	(CECA)	
15	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.
16.	India-Malaysia CECA (1 st Review)	The 1 st review meeting of the India-Malaysia Joint Committee meeting was held on 8 th December, 2014.
17	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 5 th RCEP Ministerial was held in Manila on 10 th September, 2017.. The 20 th round of RCEP TNC and related meetings were held from 17-28 October, 2017 in Incheon, Korea. The 1 st RCEP Summit was held in Manila on 14 November, 2017. The negotiations cover a number of areas like trade in goods, services, investment, intellectual property, economic & technical cooperation, competition and legal & institutional issues.
18	India-ASEAN Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) (1 st Review)	The 1 st review meeting of the India-ASEAN trade in Goods Agreement was held on 6 April, 2016 in Kuala Lumpur.
19	India-Korea CEPA review	Three rounds of negotiations for upgrading India-Korea CEPA have been held so far with 3 rd round held on 21-22 September, 2017 in Seoul.
20	India-Iran PTA	So far, two meetings have taken place. The last meeting was held at New Delhi on 01-02 September, 2016. The dates of next meeting of India-Iran PTA are not yet finalised.
21	India-Peru Trade Agreement	The first round of negotiations was held on 8-11 August, 2017 in New Delhi.
