

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

LOK SABHA
UNSTARRED QUESTION NO. 3323
TO BE ANSWERED ON 23rd MARCH, 2022

FTA WITH UAE

3323. SHRI SUSHIL KUMAR SINGH:

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

- (a) whether India has signed a Free trade Agreement (FTA) with the UAE;
- (b) if so, the details thereof;
- (c) the criteria of rules of origin in the FTA with UAE;
- (d) the steps being taken to ensure that the goods from third country are not routed through UAE;
- (e) whether some high-valued items are excluded from stringent value addition (around 40%) requirements; and
- (f) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a) to (b): Yes. India and the United Arab Emirates (UAE) signed the Comprehensive Economic Partnership Agreement (CEPA) on 18th February, 2022, on the side-lines of the India-UAE Virtual Summit. The India-UAE CEPA is a comprehensive agreement, which will covers, *inter alia*, Trade in Goods, Rules of Origin, Trade in Services, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, Dispute Settlement, Movement of Natural Persons, Telecom, Customs Procedures, Pharmaceutical products, Government Procurement, Intellectual Property, Investment and Trade, Digital Trade and Cooperation in other Areas. The India-UAE CEPA provides for an institutional mechanism to encourage and improve bilateral trade and investments between the two countries. Bilateral trade in goods is projected to increase from the current USD 60 billion to USD 100 billion annually within five years of implementation of the India-UAE CEPA.

(c) to (f): Product Specific Rules (PSRs) have been adopted in the proposed trade agreement with stringent rules, which include the wholly obtained (WO) criteria for many agricultural

raw materials; melt and pour requirement for steel; and a change in tariff classification (CTC) with product specific value addition requirements for most other products. All these rules would ensure that substantial processing takes place in either India or the UAE, thereby removing the possibility of third country goods routed through the parties to the Agreement. The value addition norms for gems and jewellery sector are also synchronized with that in the Foreign Trade Policy (FTP). Moreover, the verification mechanism in case of any alleged violation of the rules of origin has been made stringent and robust for effective deterrence, which includes all stakeholders maintaining adequate information and documentation.
