

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

LOK SABHA
UNSTARRED QUESTION NO. 1205
TO BE ANSWERED ON 7TH DECEMBER, 2015

FTAS/PTAS WITH COUNTRIES

1205. SHRI P.R. SUNDARAM:

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

- a) the details of countries with which India has entered into Free Trade Agreements (FTAs)/Comprehensive Economic Partnership Agreements/ Preferential Trade Agreements (PTAs) along with the total trade with FTA partner countries including ASEAN countries during the last three years and the current year along with the names of the countries including European Union and USA with which Government is in talk to enter into FTA;
- b) whether the Government has made any assessment/evaluation or proposes to make any review of the impact of FTAs signed with various countries including the ASEAN countries and if so, the details thereof;
- c) whether FTAs have resulted in preferential imports from FTA partner countries and the export from the country has declined and if so, the details thereof indicating items that have recorded major increase in imports during the said period;
- d) whether any misuse or abuse of the FTA provisions have been reported during the above period and if so, the details thereof; and
- e) the measures taken by the Government to boost exports as well as protect domestic industries and agricultural sector from the adverse impact of import?

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)/Comprehensive Economic Cooperation Agreements (CECAs)/Comprehensive Economic Partnership Agreements (CEPA) and Preferential Trade Agreements entered into by India is given in Annexure 1 and Annexure 2 respectively. The total trade with the FTA partner countries/block of countries, including ASEAN countries, during the last three years and current years (upto September, 2015) is given in Annexure 3. The name of the countries/blocks with which Government is negotiating FTA is given in Annexure -4. There is no proposal for entering into an FTA with USA.

- (b)&(c): Assessment evaluation of FTAs is a continuous process which starts even before FTA negotiations are entered into. 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. An analysis based on the available preferential import data from some key FTA partners reveals that the percentage of overall preferential imports are low in relation to the overall imports from these partners. However, share of preferential imports to total imports is significant with some trading partners in specific sectors such as iron and steel, plastics and organic chemicals.
- (d) Misuse of FTA provisions has been alleged in certain cases. These, inter-alia, include issues in imports of flat panel television and gold jewelry from Thailand; import of cold rolled stainless steel flat products from ASEAN region; apples from Afghanistan; marble from Sri Lanka and betelnuts under SAFTA/SAPTA/India-Sri Lanka FTA etc.
- (e) In order to protect the interest of the domestic industry and agriculture sector, these trade agreements provide for maintaining sensitive/negative lists of items on which limited or no tariff concessions are granted under the FTA. 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. Government of India takes recourse to such measures as and when required.

Annexure 1

FTAs/CECAs/CEPAs 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	28 th Dec.. 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 Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)	13 th August, 2009	<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.
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
11	India-ASEAN Services and Investment Agreement	November, 2014	1 st July, 2015

(Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)		
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Annexure 2

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)(India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan and Maldives)	11 April, 1993	7 December, 1995
4	India - Afghanistan	6th March, 2003	13 th May, 2003
5	India - MERCOSUR (Argentina, Brazil, Paraguay and Uruguay)	25th January, 2004	1st June, 2009
6	India - Chile	8 th March, 2006	11 th September, 2007

Annexure 3

India's total trade with FTA partners

(VALUES IN MILLION USD)

BLOCK	YEAR	EXPORT	IMPORT	TOTAL TRADE
APTA COUNTRIES	2012-13	26914.05	66618.58	93532.63
	2013-14	29778.81	64658.43	94437.25
	2014-15	29716.47	75319.81	105036.29
	2015-16(APR TO SEP)	11899.90	38995.52	50895.42
GSTP COUNTRIES	2012-13	78039.06	140625.46	218664.52
	2013-14	82935.06	135926.39	218861.45
	2014-15	84206.96	134450.26	218657.22
	2015-16(APR TO SEP)	32867.06	58385.95	91253.02
ASEAN COUNTRIES	2012-13	33008.31	42866.36	75874.67
	2013-14	33135.05	41279.29	74414.35
	2014-15	31812.86	44714.77	76527.63
	2015-16(APR TO SEP)	11787.95	20953.49	32741.44
JAPAN	2012-13	6101.24	12412.29	18513.54
	2013-14	6814.64	9481.03	16295.67
	2014-15	5385.87	10131.36	15517.23
	2015-16(APR TO SEP)	2597.79	4912.18	7509.97
KOREA	2012-13	4205.67	13105.12	17310.79
	2013-14	4209.52	12470.97	16680.49
	2014-15	4604.19	13529.11	18133.30
	2015-16(APR TO SEP)	1767.62	6651.28	8418.91
MALAYSIA	2012-13	4444.10	9951.06	14395.15
	2013-14	4198.18	9230.18	13428.36
	2014-15	5816.65	11117.74	16934.39
	2015-16(APR TO SEP)	2154.69	4675.53	6830.22
SINGAPORE	2012-13	13619.31	7486.38	21105.70
	2013-14	12511.19	6762.71	19273.90
	2014-15	9809.53	7124.47	16934.00
	2015-16(APR TO SEP)	3425.72	3810.31	7236.02
AFGHANISTAN	2012-13	472.63	159.55	632.18
	2013-14	474.35	208.77	683.13
	2014-15	422.56	261.91	684.47
	2015-16(APR TO SEP)	302.66	109.34	412.00
BHUTAN	2012-13	233.22	164.00	397.22
	2013-14	355.61	152.17	507.78
	2014-15	333.94	149.87	483.81
	2015-16(APR TO SEP)	183.75	183.61	367.36
CHILE	2012-13	690.00	2992.31	3682.31
	2013-14	664.02	2508.04	3172.06
	2014-15	565.82	3080.63	3646.45
	2015-16(APR TO SEP)	331.60	1111.82	1443.43
NEPAL	2012-13	3088.84	543.10	3631.94
	2013-14	3592.43	529.95	4122.37
	2014-15	4558.77	639.91	5198.68
	2015-16(APR TO SEP)	1946.49	258.18	2204.67
SRILANKA	2012-13	3983.87	625.81	4609.68
	2013-14	4534.51	666.94	5201.45
	2014-15	6703.72	756.17	7459.89
	2015-16(APR TO SEP)	2791.26	394.52	3185.78
MERCOSUR COUNTRIES	2012-13	6814.66	6057.54	12872.20
	2013-14	6414.12	5085.23	11499.35
	2014-15	6738.84	7501.63	14240.46
	2015-16(APR TO SEP)	1964.77	3225.33	5190.10
SAARC COUNTRIES	2012-13	15110.80	2679.95	17790.75

	2013-14	17504.59	2473.07	19977.66
	2014-15	20480.14	2930.85	23411.00
	2015-16(APR TO SEP)	8814.72	1499.39	10314.10
THAILAND	2012-13	3733.17	5352.61	9085.78
	2013-14	3703.39	5340.36	9043.75
	2014-15	3464.83	5865.88	9330.71
	2015-16(APR TO SEP)	1530.25	2927.19	4457.43

Source-DGCIS, Kolkata

NOTE: FIGURES FOR 2015-16(APR TO SEP) IS PROVISIONAL.

Annexure 4

FTAs/PTAs under Negotiation:

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)	<p>Negotiations launched on 28th 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.</p> <p>Fifteen 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 15th April, 2013 at Brussels.</p> <p>After a period of lull, both sides began re-engagement from October, 2014 onwards.</p>
2	India – Sri Lanka CEPA	<p>FTA in goods implemented from March 2000.</p> <p>A JSG was set up in April, 2003 to widen the ambit of ISLFTA to go beyond Trade in Goods to include Services and to facilitate greater investment flows between the two countries. Based on the recommendation and conclusion of the JSG, negotiations for a CEPA were started in February, 2005.</p> <p>No discussion is currently taking place India-Sri Lanka CEPA</p>
3	India - Thailand CECA	<p>Early Harvest Scheme on 82 items implemented. So far 29th rounds of India-Thailand Trade Negotiation committee (ITTNC) meetings have been held. The 29th round was held in Bangkok in June 2015.</p>
4	India - Mauritius CECPA	<p>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</p>

		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. 13 rounds of negotiations have been held with the 13 th and final round being held on 25-29 th November, 2013. Legal vetting has been completed in most of the texts with only some residual work remaining. There are few pending issues on both sides such as TRIPS Plus and Data Adequacy/Data Security status.
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. 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 Hon'ble 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 (Argentina, Brazil,	The two issues currently under discussion on the India-Mercosur PTA are the expansion in coverage and inclusion

	Paraguay and Uruguay)	of Venezuela in the PTA.
11	India – Chile PTA	With the objective of gaining optimal benefits and boosting bilateral trade between the two countries, the expansion of India-Chile PTA is being processed for Cabinet approval.
12	BIMSTEC FTA (Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal)	20 meetings of the Trade Negotiation Committee (TNC) have taken place. 20 th Meeting of BIMSTEC Trade Negotiating Committee (TNC) was held on during 07-09, September 2015 in Khon Kaen Province, 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 held 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.
14	India – Canada FTA	Nine rounds of negotiation on India-Canada CEPA have been held so far. The Ninth round was held in March, 15.
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 CECA	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. Ten rounds of negotiations have been held so far. The 10 th round was held on 8-16, October 2015 in Busan, Korea. 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. Dates would be finalized as per mutual consultations.
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