

**GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5785
ANSWERED ON:04.05.2005
FTA WITH VARIOUS COUNTRIES
Gangwar Shri Santosh Kumar

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) whether the Government proposes to sign a Free Trade Agreement with various countries particularly China and Singapore;
- (b) if so, the details thereof; and
- (c) the time-frame fixed for the agreements to be signed?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI E. AHAMED)

(a) - (c) Yes, Sir. The Report of the India-China Joint Study Group on Comprehensive Trade & Economic Cooperation has recommended an India-China Regional Trading Arrangement comprising of trade in goods and services, investments, identified understandings for trade and investment promotion and facilitation, and measures for promotion of economic cooperation in identified sectors. In the Joint Statement signed on April 11, 2005, by the Prime Minister and the Chinese Premier during the latter's visit to India, it was agreed to appoint a Joint Task Force to study in detail the feasibility of, and the benefits that may derive from the India-China Regional Trading Arrangement and give recommendations regarding its content.

2. The Government proposes to sign a Comprehensive Economic Cooperation Agreement (CECA) with Singapore including a Free Trade Agreement (FTA) which would, inter-alia, include Trade in Goods, Services and Investment. A Joint Study Group (JSG), set up to study the benefits of India-Singapore CECA, in its report submitted to two Prime Ministers on 8th April 2003, recommended the conclusion of CECA negotiations and signing the relevant agreements within 12-18 months of the submission of the JSG report. As the negotiations could not be concluded in the above time frame, it has not been possible to sign agreement.

3. The details of negotiations for signing of Free Trade Agreements with various countries which are pending at various stages are given below:

(i) Two rounds of talks on a Bilateral Free Trade Agreement have been held with Bangladesh in October 2003 and March 2004. Bangladesh has conveyed that they would be interested in a bilateral FTA provided it goes beyond South Asia Free Trade Area (SAFTA) and the issue of Non Tariff Barriers is addressed. India has requested for dates for the next round of talks; Bangladesh is yet to respond.

(ii) India and the Member States of the Cooperation Council for the Arab States of the Gulf (UAE, Bahrain, Saudi Arabia, Oman, Qatar, Kuwait) have entered into a framework agreement on economic cooperation on 25th August, 2004. Article 2 of this states 'The Contracting parties shall consider ways and means for expanding and liberalizing their trade relations including initiating discussions on the feasibility of a Free Trade Area between them, taking into account their international obligations and principles of the WTO'

(iii) India and Chile have signed a Framework Agreement to promote Economic Cooperation on 20-1-2005 at New Delhi. It envisages concluding a limited scope Preferential Trade Agreement (PTA) by 2005, and to set-up a Joint Study Group (JSG) that shall study among others moving towards a Free Trade Agreement (FTA)/ Comprehensive Economic Cooperation Agreement (CECA) if such an arrangement is found to be feasible.

(iv) As far as Southern African countries are concerned, talks on Preferential Trade Agreements / Free Trade Agreements (PTA/FTA) are taking place with Southern African Customs' Union (SACU) of which South Africa, Namibia, Lesotho etc. are Members. India also intends to negotiate a PTA with Mauritius.