

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3033
ANSWERED ON:13.12.2005
MATCH INDUSTRY UNDER SAFTA
Surendran Shri Chengara

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government proposes to open Indian Markets for South Asian countries under the South Asia Free Trade Agreement (SAFTA);
- (b) if so, whether the Government has kept match industry out of the SAFTA;
- (c) if so, the reasons therefor;
- (d) whether free trade in labour-intensive match industry will adversely affect the traders and farmers of the country especially in Kerala; and
- (e) if so, the steps taken by the Government to protect the interests of the workers of this industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) Yes Sir. South Asian Free Trade Area Agreement (SAFTA), which was signed by SAARC Member States, namely India, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka during the Twelfth SAARC Summit held in Islamabad, Pakistan on 4-6 January, 2004, is scheduled to come into force from 1st January, 2006.

The Agreement provides for a phased Trade Liberalization Programme (TLP) except on those items kept in the Sensitive List.

(b) to (e) Representations were received from the domestic industry expressing apprehensions that import of Matches, reserved for exclusive manufacture in small-scale sector, under SAFTA Tariff Concession would adversely affect the domestic industry. After due consideration of the matter, the concerns of the domestic industry have been addressed by keeping Matches (HS Code No. 360 500) in the final Sensitive List of India under SAFTA.