

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

UNSTARRED QUESTION NO:2570
ANSWERED ON:14.03.2006
INDO -VIETNAM ECONOMIC RELATIONS
Owaisi Shri Asaduddin

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

- (a) whether the Government has fixed different tariff rates for the imports from different countries;
- (b) if so, the details thereof alongwith the reasons therefor, country-wise and product-wise;
- (c) whether the tariff rate fixed for the imports from Vietnam is much more than that fixed by Vietnam on imports from India;
- (d) if so, the reasons therefor alongwith the total trade between India and Vietnam during the last three years;
- (e) whether Vietnam has requested the Government to reduce the tariff for balance of trade between the two countries;
- (f) if so, the steps taken or being taken in this regard;
- g) whether India is investing in Vietnam; and
- h) if so, the details thereof alongwith the details of other countries wherein India is investing?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) Under the Most Favoured Nation (MFN) obligation of the WTO, a member country has to maintain the same tariffs for all other WTO member countries. WTO however, allows member countries to maintain preferential tariffs under preferential trade agreements. India being a WTO member maintains the same tariffs for all other WTO member countries and even for non-WTO members. India maintains preferential tariffs for several countries with which it has preferential trade agreements.

(b) India has entered into preferential trade agreements with several countries. The details of such countries and the preferences offered in tariffs are available on the official website of this Department at www.commerce.nic.in.

(c) & (d) : Each country determines the level of its import duty on various factors including inter alia level of protection need for domestic industry, revenue implications etc. India-Vietnam bilateral trade for the years 2002-03, 2003-04 and 2004-05 amounted to US\$ 366.57 million, US\$ 448.65 million and US\$ 607.51 million respectively.

(e) & (f) : A Comprehensive Economic Cooperation Agreement (CECA) is being negotiated with ASEAN countries, of which Vietnam is a member. Reduction in tariffs amongst the Parties is an important aspect of the CECA.

(g) & (h) : Total investment from India into Vietnam as on December 2005 is US \$ 580 million (Source : Ministry of Planning & Investment of Vietnam).