

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

UNSTARRED QUESTION NO:2862

ANSWERED ON:12.12.2006

FTA

Lagadapati Shri Rajagopal

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

- (a) whether a meeting between India and BIMSTEC has been held recently to thrash out differences on Free Trade Agreement;
- (b) if so, the details thereof alongwith the progress made thereon; and
- (c) the reasons for non-implementation of FTA with effect from July 01, 2006?

Answer

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

(a) Yes, Sir.

(b) The Framework Agreement on the BIMSTEC FTA (Bay of Bengal Initiative for Multi- sectoral Technical and Economic Cooperation Free Trade Area) was signed on 8th February, 2004. The Framework Agreement prescribed for a Trade Negotiating Committee

(TNC) to be constituted to carry out the negotiations. The last Meeting of the BIMSTEC TNC was held from 6th - 10th November, 2006 in Myanmar. The TNC discussed various outstanding issues under the FTA, which inter-alia included, tariff liberalization schedule, Rules of Origin, Safeguard measures etc. In the negotiations, a consensus among the seven members has been reached on most of the text of the FTA in goods and modality for tariff liberalisation. However, on Rules of Origin, no consensus has yet been reached on the general rule and the derogations for product specific rules.

(c):The FTA could not be implemented with effect from 1st July 2006 as a consensus among all member countries could not be reached on the list for tariff liberalization and Rules of Origin.