

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

STARRED QUESTION NO:154
ANSWERED ON:30.11.2009
FTAs WITH ASEAN AND BIMSTEC COUNTRIES
Lingam Shri P.;Roy Shri Mahendra Kumar

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

(a) whether the Government has conducted/sponsored any study regarding the impact of Free Trade Agreements (FTAs) with Association of Southeast Asian Nations (ASEAN) and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) countries on Indian industries especially agro and small scale products;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) the mechanism proposed to be adopted by the Government to protect export oriented industries and farmers after signing the FTAs?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

a) to c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 154 FOR ANSWER ON 30TH NOVEMBER 2009 REGARDING "FTAs WITH ASEAN AND BIMSTEC COUNTRIES"

(a)& (b): No, Madam. Study on the impact of BIMSTEC and ASEAN Free Trade Agreements is not possible as none of these Agreements have been operationalised yet. While India and ASEAN signed the Agreement on Trade in Goods on August 13, 2009, it is envisaged to come into force wef Jan 1, 2010. BIMSTEC Agreement is still under negotiation;

(c): While negotiating an FTA, Government takes a number of steps to protect the interest of domestic as well as export oriented industry and farmers. These include keeping the items to which the domestic industry and farmers are sensitive, in the negative list. On such items limited or no tariff concessions are granted to the trading partner. Such lists are prepared after consulting all stakeholders which include the administrative Ministries and Departments as well as the Apex Chambers of Commerce and Industry, industry associations etc. Majority of Indian agricultural products are protected under the India-ASEAN Trade in Goods Agreement as they are placed in the exclusion list of India.

After signing of the FTAs, measures such as anti-dumping and safeguards are available with the Governments to deal with any surge in imports and injury to the domestic industry. In case of surge of imports and injury to the domestic industry, the safe guard mechanism agreed under the India ASEAN Agreement provides for reversion to tariffs prevailing on 1st January 2010.