

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

UNSTARRED QUESTION NO:1215
ANSWERED ON:18.07.2014
IMPACT OF FREE TRADE AGREEMENTS ON PRODUCTION
Chautala Shri Dushyant

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

- (a) whether the Free Trade Agreements have negatively impacted the plantation and cash crops in the country leading to drastic fall in domestic production;
- (b) if so, whether the Government has received any representation from the farmers` forum to ratify Free Trade Agreements so as to encourage agricultural production in the country;
- (c) if so, the details thereof; and
- (d) the reaction of the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) to (d) : Impact evaluation of Free Trade Agreements (FTAs) on domestic production of plantation and cash crops is a continuous exercise undertaken before and after entering into negotiations with trading partners. Conclusive evidence in this regard is gathered after wide consultations with the domestic stakeholders for which Government regularly receives representations from Apex Chambers of Commerce and Industry and Associations of Industry, Trade and other interests including farmers. FTAs provide for sensitive/negative lists of items on which limited or no tariff concessions are granted so as to protect the interest of domestic industry and agriculture sector. In addition, partner countries under FTA are allowed to take recourse to measures such as anti-dumping and safeguards in case of a surge in imports and injury to the domestic industry. Every FTA has a joint review mechanism which monitors the implementation of the FTA. India's trade and economic relations with all its FTA partners have increased substantially.