

Agreement with BRICS countries for trade and commerce

†2932. SHRI VIJAY GOAL:

SHRI PRABHAT JHA:

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

(a) whether India has entered into an agreement in the fields of trade and commerce with BRICS countries in the recently held BRICS Summit;

(b) if so, the details thereof; and

(c) the details of immediate and long term profitable effects on India because of agreements with BRICS countries in the field of trade and commerce ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) During the 6th BRICS Summit held at Fortaleza, Brazil from 15-16 July, 2014; a Memorandum of Understanding on Technical Cooperation among BRICS Export Credit and Guarantees Agencies (CGAs) aimed at improving the environment for increasing trade opportunities among BRICS countries was signed. Further, the BRICS Summit Leaders welcomed the proposals for a "BRICS Economic Cooperation Strategy" and a "Framework of BRICS Closer Economic Partnership", which lay down steps to promote intra-BRICS economic, trade and investment cooperation, and instructed their Sherpas to advance discussions with a view to submit their proposal for endorsement by the next BRICS Summit. The Fortaleza Declaration of the 6th BRICS Summit also reaffirmed the support for an open, inclusive, non-discriminatory, transparent and rule-based multilateral trading system, while continuing the efforts towards the successful conclusion of the Doha Round of the World Trade Organization (WTO). It recognized the importance of Regional Trade Agreements, indicating that these should complement the multilateral trading system. The Fortaleza Declaration will increase cooperation amongst BRICS countries in the field of trade and commerce. An Agreement setting up a New Development Bank (NDB) with the purpose of mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging and developing economies and a Treaty setting up the Contingent Reserve Arrangement (CRA), which will work as a multilateral currency swap amongst BRICS Central Banks, were also signed.

Setting up of Export Promotion Mission

†2933. SHRI PRABHAT JHA:

SHRI VIJAY GOEL:

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

(a) whether it is a fact that in the Budget 2014-15 it was announced to set up an

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Export Promotion Mission;

(b) if so, the details thereof and the reasons therefor;

(c) whether any immediate targets have been fixed for the operation of Export Promotion Mission; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) to (d) The Export Promotion Mission as announced in the budget of 2014-15 is aimed at preparing a comprehensive policy for promoting foreign trade which will include deeper involvement of States in achieving targets to be fixed under the Foreign Trade Policy.

Study on impact of FTAs on the manufacturing sector

2934. SHRI DEREK O'BRIEN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a study has been conducted on the impact of Free Trade Agreements on the Indian manufacturing sector;

(b) if so, the details thereof;

(c) whether it is also a fact that the Indian manufacturing sector's growth has contracted by 0.7 per cent in 2013-14, for the first time since 1991-92; and

(d) the measures being taken to address the inverted duty structure ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Impact evaluation of FTAs is a continuous process which starts even before FTA negotiations are entered into. As per preferential import data available, the extent of utilization of FTAs by the exporters of the trading partner countries is low. Before entering into negotiations with its trading partners, studies are undertaken internally, as well as through the Joint Study Group (JSG) to study the feasibility of the proposed FTAs, including their impact on the domestic stakeholders including the Apex Chambers of Commerce and Industry, Industry Associations as well as the Administrative Ministries and Departments. In order to protect the interest of the domestic industry and agriculture sector, these agreements provide for maintaining sensitive/negative lists of items on which limited or no tariff concessions are granted under the FTA. In addition, in case of a surge in imports and injury to the domestic industry, a country is allowed to take recourse to the measures such as anti-dumping and safeguards. 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.