

**Scrapping of DEPB credit**

1028. DR. MAM. RAMASWAMY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the Ministry of Finance has mooted a proposal to scrap the existing Duty Entitlement Pass Book (DEPB) credit for certain sectors;

(b) if so, the reasons for scrapping DEPB;

(c) whether this move is going to hit hard the exporters who have already entered into agreements with foreign buyers after factoring in the existing DEPB credit; and

(d) the reaction of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) and (b) Ministry of Finance had forwarded a proposal to delete the Duty Entitlement Pass Book (DEPB) Scheme for the textile sector. However, this was not agreed to by the Department of Commerce. The New Foreign Trade Policy announced by the Department of Commerce proposes that the DEPB Scheme will continue to be operative until it is replaced by a new WTO compatible Scheme which will be drawn up in consultation with exporters.

(c) and (d) Do not arise in view of (a) and (b) above.

**Free Trade Agreements**

1029. SHRI A. VIJAYARAGHAVAN:

SHRI K. CHANDRAN PILLAI:

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

(a) whether there are many Free Trade Agreements (FTAs) and a few are in advance stage of negotiation;

(b) if so, details thereof including the country and group of countries associated with the above as on date;

(c) whether there is any proposal to set up a cell to monitor Free Trade Agreements, if so, the details including the proposed functions of the cell; and

(d) the details of studies/complaints if any on the adverse impact of FTAs on tea and rubber industry and the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) and (b) India has signed the following Free Trade Agreements (FTAs):—

- (i) India-Sri Lanka Free Trade Agreement signed on 28th December, 1998 and the implementation began in March, 2000.
- (ii) The Agreement on South Asian Free Trade Area (SAFTA) signed by the SAARC member countries (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) during the 12th SAARC Summit held in Islamabad on 4-6th January, 2004. The Agreement is scheduled to come into operation from 1st January, 2006.
- (iii) India has also bilateral trade treaties with Nepal and Bhutan, under which we allow duty free imports from these two countries on the principles of non-reciprocity.

The following FTAs are under negotiation:—

- (i) India-ASEAN (Association of South East Asian Nations comprising Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) FTA covering goods, services and investment under the Framework Agreement on Comprehensive Economic Cooperation between the two sides signed on 8th October, 2003.
- (ii) BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation involving Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand as members) FTA covering goods, services and investments under the Framework Agreement signed among member countries on 8th February, 2004 and the Protocol to the Framework Agreement signed on 25th June, 2004;
- (iii) India-Thailand FTA covering goods, services and investment under the Framework Agreement signed between the two countries on 9th October 2003.

(c) Yes, Sir. A FTA Cell in the Office of Directorate General of Foreign Trade to monitor Free Trade Agreement has been set up with the objectives

of recommending safeguard actions to be taken with regard to a surge in imports under the Preferential Trade Agreement/Free Trade Agreement and also provide recommendations to the department of Revenue with regard to the circumvention of Rules of Origin.

(d) Yes Sir. We have received representations regarding adverse impact on domestic tea industry on account of tea imports from Sri Lanka under the India-Sri Lanka FTA. Tea is allowed to be imported from Sri Lanka under Tariff Rate Quota mechanism with fixed annual quota at the preferential rate of duty. However, the quota for imports of tea from Sri Lanka is presently insignificant and under-utilised. Rubber is in the negative List, thereby no concessions are available for imports under the India-Sri Lanka FTA.

#### **Repairing of monuments**

1030. SHRI TARIQ ANWAR: Will the Minister of CULTURE be pleased to state:

(a) whether Government propose to get the construction/repair work of various monuments done through non-CPWD agency;

(b) if so, the reasons therefor;

(c) whether the CPWD has lost the confidence of Government; and

(d) if so, the details thereof?

THE MINISTER OF CULTURE (SHRI S. JAIPAL REDDY): (a) No, Sir.

(b) Does not arise.

(c) and (d) No, Sir. All conservation, repair and maintenance works of monuments are carried out by the A.S.I. The major modern construction works of A.S.I. such as construction of boundary walls, fencing, museum buildings, residential quarters etc. are assigned to C.P.W.D. depending on the requirements.

#### **Celebration of Taj Mahotsava**

1031. SHRI KALRAJ MISHRA: Will the Minister of CULTURE be pleased to state: