

**Decline in manufacturing sector**

2725. SHRI RAJ BABBAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether manufacturing sector has been experiencing consistent decline resulting in large scale unemployment over the years;

(b) if so, the details thereof including reasons for decline along with review under taken by Government in this regard and the results of these reviews;

(c) whether India's ranking in the performance of manufacturing sector is also on the decline as per the report of the United Nations Industrial Development Organisation (UNIDO) and if so, the details thereof; and

(d) the remedial measures taken/proposed to be taken by Government including measures suggested by the various industrial bodies to boost/improve manufacturing sector in the country?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) Growth rate of the Gross Value Added (GVA) at Basic Price at constant (2011-12) prices in manufacturing sector was 5.3% in 2013-14 and 7.1% in 2014-15. During April-September, 2015-16, it has shown a growth of 8.2%. Thus, there is no decline in the growth of manufacturing sector.

(b) Does not arise.

(c) As per the UNIDO's Industrial Development Report 2016, the ranking of India has improved from 45 in 2010 to 43 in 2013 in Industrial Competitiveness.

(d) Government has taken a number of measures to boost growth of production in manufacturing sector. These *inter-alia*, include launch of Make in India programme, rationalization of tax structure, liberalization of Foreign Direct Investment (FDI) Policy, steps to create ease of doing business and implementation of projects to create state-of-art infrastructure.

**Bilateral trade agreements**

2726. SHRI RAJ BABBAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India has signed bilateral trade agreements with various countries recently;

(b) if so, the details thereof and the salient features of these agreements;

(c) the details of bilateral agreements with countries which were signed during the last three years but could not materialize and the reasons therefor; and

(d) the further measures taken by Government to strengthen the bilateral trade relations with other countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) India has not entered into any new Free Trade Agreement (FTA) or Preferential Trade Agreement (PTA) during the last one year. However, India expanded the scope of the India-ASEAN Trade in Goods (TIG) Agreement on 09.09.2014 to cover both Services and Investment with its date of implementation as 01.07.2015.

(c) None.

(d) There are appropriate institutional mechanisms such as Strategic Commercial Dialogue, Trade Policy Forum, Bilateral High Level Group, Annual Ministerial Dialogue etc. established with partner countries to discuss and strengthen bilateral trade relations. Moreover, region specific initiatives such as “*Focus LAC*” for the Latin American region are also important in strengthening trade relation between partners in the region. With a view for closer trade integration, the Government has also negotiated 11 Free Trade Agreements (FTAs), 6 Preferential Trade Agreements (PTAs) and is negotiating 19 Trade Agreements as given in Statement.

*Statement*

## A. Free Trade Agreements (FTAs) already in force:

Sl. No.	Name of the Agreement	Date of Signing of the Agreement	Date of Implementation of the Agreement
1.	India - Sri Lanka FTA	28th December, 1998	1st March, 2000
2.	Agreement on SAFTA (India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, the Maldives and Afghanistan)	4th January, 2004	1st January, 2006 (Tariff concessions implemented from 1st July, 2006)
3.	Revised Agreement of Cooperation between Government of India and Nepal to control unauthorized trade	27th October, 2009	27th October, 2009
4.	India - Bhutan Agreement on Trade Commerce and Transit	17th January, 1972	Renewed periodically, with mutually agreed modifications.
5.	India - Thailand FTA Harvest - Early Scheme (EHS)	9th October, 2003	1st September, 2004
6.	India - Singapore CECA	29th June, 2005	1st August, 2005
7.	India - ASEAN - CECA - Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)	13th August, 2009	<ul style="list-style-type: none"> <li>• 1st January 2010 in respect of India and Malaysia, Singapore, Thailand.</li> <li>• 1st June 2010 in respect of India and Vietnam.</li> <li>• 1st September 2010 in respect of India and Myanmar.</li> </ul>

- 1st October 2010 in respect of India and Indonesia.
- 1st November 2010 in respect of India and Brunei.
- 24th January 2011 in respect of India and Laos.
- 1st June 2011 in respect of India and the Philippines.
- 1st August, 2011 in respect of India and Cambodia.

1st January, 2010

1st August, 2011

1st July, 2011

1st July, 2015

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| 8.  | India - South Korea CEPA   | 7th August 2009     |
| 9.  | India - Japan CEPA   | 16th February, 2011 |
| 10. | India - Malaysia CECA  | 18th February, 2011 |
| 11. | India-ASEAN Services and Investment Agreement.<br>(Brunei, Cambodia, Indonesia, Laos, Malaysia,<br>Myanmar, Philippines, Singapore, Thailand and<br>Vietnam) which is an expansion of the India<br>ASEAN - CECA mentioned in SI.No.7 | 9th September, 2014 |

## B. Preferential Trade Agreements (PTAs) already in force:

Sl. No.	Name of the Agreement	Date of Signing of the Agreement	Date of Implementation of the Agreement
1.	Asia Pacific Trade Agreement (APTA) (Bangladesh, China, India, Republic of Korea, Sri Lanka)	July, 1975 (revised on 2nd November, 2005)	1st Nov, 1976
2.	Global System of Trade Preferences (GSTP) (Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran, Iraq, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, Venezuela, Vietnam, Yugoslavia, Zimbabwe)	13th April, 1988	19th April, 1989
3.	SAARC Preferential Trading Agreement (SAPTA)	11th April, 1993	7th December, 1995
4.	India - Afghanistan	6th March, 2003	13th May, 2003
5.	India - MERCOSUR	25th January, 2004	1st June, 2009
6.	India - Chile	8th March, 2006	11th September, 2007

## C. FTAs/PTAs under Negotiation:

Sl. No.	Name of the Agreement	Status
1.	India-EU Bilateral Trade and Investment Agreement (BTIA) (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom)	Negotiations launched on 28th June 2007 in the areas of Goods, Services, Investment, Sanitary and Phyto-sanitary Measures, Technical Barriers to Trade, Trade Facilitation and Customs Cooperation, Competition, IPR and GIs. etc Fifteen rounds of negotiations and a number of inter-sessional and Chief Negotiator level meetings have been held till date. A Ministerial review meeting between Hon'ble Commerce and Industry Minister and EU's Trade Commissioner was held on 15th April, 2013 at Brussels. After a period of lull, both sides began re-engagement from October, 2014 onwards. The negotiations are still ongoing and an impact assessment can be made only they are concluded.
2.	India-Sri Lanka Comprehensive Economic Partnership Agreement (CEPA)	The FTA in goods was implemented from March 2000. A Joint Study Group (JSG) was set up in April, 2003 to widen the ambit of India-Sri Lanka FTA (ISLFTA) to go beyond Trade in Goods to include Services and to facilitate greater investment flows between the two countries. Based on the recommendation and conclusion of the JSG, negotiations for a CEPA were started in February, 2005. No discussion is currently taking place on India-Sri Lanka CEPA.

Sl. No.	Name of the Agreement	Status
3.	India-Thailand Comprehensive Economic Cooperation Agreement (CECA)	Early Harvest Scheme on 82 items implemented. So far 29th rounds of India-Thailand Trade Negotiation Committee (ITTNC) meetings have been held. The 29th round was held in Bangkok in June 2015.
4.	India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA)	Ten rounds of negotiations on India-Mauritius CECPA have been held between the two sides so far. The last round of negotiation was held between India and Mauritius on 23-24 October, 2006. However, CECPA negotiations have been formally put on hold.
5.	India EFTA Trade and Economic Partnership Agreement (TEPA) (Iceland, Norway, Liechtenstein and Switzerland)	The India-EFTA TEPA (Trade and Economic Partnership Agreement) was launched in January 2008 (then known as BTIA). The first round was held in New Delhi during 6-8 October, 2008. The Chapters covered are Trade in Goods, Services, Investment,, Sanitary and Phyto-sanitary Measures (SPS), Technical Barriers to Trade (TBT), Trade Facilitation and Customs Cooperation, Competition, Intellectual Property Rights (IPR), Government Procurement (GP), Dispute Settlement (DS), Trade Defence (TD), Rules of Origin (ROO), Sustainable Development (SD) and Legal and Horizontal etc. 13 rounds of negotiations have been held with the 13th and final round being held on 25-29th November, 2013. Legal vetting has been completed in most of the texts with only some residual work remaining. There are few pending issues on both sides such as TRIPS Plus and Data Adequacy/ Data Security status.

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| 6. | India-New Zealand FTA/CECA  | Ten rounds of negotiation of CECA have been held so far. The 10th Round was held in New Delhi on 17-18 February, 2015  |
| 7. | India-Israel FTA  | Eight rounds of negotiations on India-Israel FTA have been held so far. The Eighth round was held in Israel from 24-26 November, 2013.   |
| 8. | India-Singapore CECA  | Second review of India-Singapore CECA was launched in May, 2010. During the visit of Minister of Commerce and Industry on 15-16 May, 2013 to Singapore, it was decided to constitute a Joint Working Group of Reserve Bank of India and Monetary Authority of Singapore to resolve the issue of Asset Maintenance Requirements in a time bound manner to conclude the 2nd Review on the issue of Employee Provident Fund.  |
| 9. | India-SACU PTA (South Africa, Botswana, Lesotho, Swaziland and Namibia) | Five rounds of negotiations have been held so far. 1st Round of negotiation was held in Pretoria on October 5-6th, 2007 and the 5th round of negotiations held in October 2010 in New Delhi. During the 9th Joint Ministerial Commission (JMC) meeting held at Durban on 19th March, 2015 under the co-chairmanship of Honorable Minister of External Affairs and South Africa's Foreign Minister, while discussing pending negotiations on finalization of INDIA- SACU PTA, the Indian side requested the South African side for assistance in holding the 6th round of negotiations. |
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Sl. No.	Name of the Agreement	Status
10.	India-Mercosur PTA (Argentina, Brazil, Paraguay and Uruguay)	The two issues currently under discussion on the India-Mercosur PTA are the expansion in coverage and inclusion of Venezuela in the PTA.
11.	India-Chile PTA	With the objective of gaining optimal benefits and boosting bilateral trade between the two countries, the expansion of India-Chile PTA is being processed for Cabinet approval.
12.	BIMSTEC CECA (Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal)	20 meetings of the Trade Negotiation Committee (TNC) have taken place. The 20th Meeting of BIMSTEC Trade Negotiating Committee (TNC) was held during 07-09, September 2015 in Khon Kaen, Thailand.
13.	India-Gulf Cooperation Council (GCC) Framework Agreement (Saudi Arabia, Oman, Kuwait, Bahrain, Qatar and United Arab Emirates)	Two rounds of negotiations have been held so far in 2006 and 2008. The second round was held in September 9-10, 2008. No round could take place in the last 6 years since GCC has deferred its negotiations with all countries and economic groups and is currently reviewing its negotiations with all countries and economic groups.
14.	India-Canada FTA	Eight rounds of negotiation on India-Canada CEPA have been held so far. The Eighth round was held in Ottawa, Canada from 24th to 26th June, 2013.
15.	India-Indonesia Comprehensive Economic Cooperation Agreement (CECA)	Commencement of negotiation on Indonesia - India CECA was announced on 25th January 2011 during the visit of Indonesian

- President to New Delhi. Negotiations are yet to commence. The first meeting pre-negotiation and Biennial Trade and Investment Forum (BTIF) took place in Jakarta on October 3-4, 2011. The negotiations have been kept in abeyance in light of the ongoing RCEP negotiations.
16. India-Australia  
Nine rounds of negotiations have been held so far. The ninth round of negotiations was held on 21-23 September 2015, in New Delhi, India.
17. India-Malaysia CECA (1st Review)  
1st meeting of the India-Malaysia Joint Committee meeting to review implementation of the Agreement was held on 8th December, 2014.
18. Regional Comprehensive Economic Partnership (RCEP) Agreement among ASEAN + 6 FTA Partners (Australia, China, India, Japan, South Korea and New Zealand)  
Based on the Declaration of the Leaders during the ASEAN Summit in November, 2012, negotiations for a comprehensive economic partnership between the 10 ASEAN member States and its 6 FTA partners commenced in May, 2013. Ten rounds of negotiations have been held so far. The 10th round was held from 8-16 October, 2015 in Busan, South Korea. The negotiations cover a number of areas like trade in goods, services, investment, intellectual property, economic and technical cooperation, competition and legal and institutional issues.
19. India-ASEAN Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) (1st Review)  
The ASEAN Secretariat has agreed to the 1st review of India-ASEAN trade in Goods Agreement in the coming months. The dates would be finalized as per mutual consultations.
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