

Sl. No.	Negative List of Industries
	and paperboard, laminated internally with bitumen, tar or asphalt. Carbon or similar copying paper Products consisting of sheets of paper or paper board, impregnated, coated or covered with plastics, etc. Paper and paperboard, coated, impregnated or covered with wax, etc.
20.	Plastics and articles thereof

*Serial No. 5; Reproduction synthesis not allowed as also downstream industries for sugar.

Impact of inverted duty structure on manufacturing

15. SHRI RANGASAYEE RAMAKRISHNA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether and to what extent inverted duty structure continues to prevail;
- (b) if so, whether and to what extent the current duty structure militates against growth of manufacturing in India central to the 'Make in India' policy; and
- (c) whether bilateral and multilateral trade agreements will be reviewed and renegotiated to reverse this trend?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Inverted Duty Structure (IDS) is characterized by a lower import duty on finished products than that of their inputs. The impact of IDS on the domestic industry depends on the share of imported inputs used in domestic manufacturing of final product and may discourage domestic value addition in manufacturing, hindering the pace of 'Make in India'. The Government continues to monitor such cases of possible inversion in duty structure and a number of corrections have been announced in Union Budget 2014-15, 2015-16 and 2016-17.

- (c) Various trade agreements have a joint review mechanism which provides for review of the Agreement from time to time. If there are instances of any existing inverted duty structure on account of an agreement per se, these can be considered in such reviews.

Meeting on the working and implications of FTAs on India

16. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that Government has recently convened a high level meeting to discuss the working and implications of Foreign Trade Agreements on India;

(b) if so, the details thereof; and

(c) the matters which came up for discussion and the outcome of the meeting on continuation of FTAs with other countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) The Department of Commerce convened the first meeting of the reconstituted Board of Trade on 6 April, 2016. The participants included senior officials of the Government, prominent captains of the industry and think tanks. The participants exchanged views freely and provided suggestions on India's trade agreements. On Free Trade Agreements (FTAs), it emphasized on the need to give thrust to the domestic industry by focussing on competitive sectors. It suggested holding regular consultations with industry associations on FTAs/PTAs and put in place review mechanisms to address industry specific issues from time to time. The suggestions have been taken on board in the overall approach of the Government on trade agreements.

Impact of FTAs

17. SHRI C. P. NARAYANAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) which are the regional Free Trade Agreements (FTAs) in which India is a member;

(b) whether they have helped in improving our trade and production;

(c) whether they have helped our farmers and MSMEs to get better prices for their products, or is it the other way;

(d) whether there is any new FTA, India is going to enter into; and

(e) whether FTAs generally help developing economies like India?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) India is a member of the following two regional Free Trade Agreements (FTAs):

- (i) Agreement on South Asian Free Trade Area or SAFTA whose participating countries are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.
- (ii) India-ASEAN Comprehensive Economic Cooperation Agreement (CECA) on goods, services and investment whose participating countries are India, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.)