
India inks FTA pact with ASEAN

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Ending months of uncertainty, India and the 10 nation Association of South East Asian Nations signed a crucial trade pact that will break duty barriers in the 1.7 billion consumer market in the region.

The pact on trade in goods under the Comprehensive Economic Cooperation Agreement was signed by Mr Anand Sharma Indian Commerce and Industry Minister and ASEAN economic ministers after more than six years of intense negotiations.

The first phase of implementation is supposed to be over by January 1, 2010. The pact on which Dr Manmohan Singh has formed a GoM to allay domestic concerns, will eliminate duties on 4,000 items by 2016 covering 80% of India's imports from the South-east Asian nations. However as many as 489 items have been kept out of the pact, keeping in view the concerns of vulnerable domestic industries and agricultural producers.

The main areas of differences revolved around sensitive agricultural products, mainly in the plantation sector. Mr Sharma said that the agreement is well balanced and is in harmony with the India's Look East Policy.

Bilateral trade between ASEAN and India was of about USD 40 billion in 2007-08.

(Sourced from PTI)

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