

Trade pact review to address industry woes

OUR SPECIAL
CORRESPONDENT

New Delhi, Sept. 7: Commerce and industry minister Nirmala Sitharaman today said the government was reviewing the free trade agreements (FTAs) that India had signed, following concerns voiced by industry about the benefits of these pacts for domestic players.

Many industry representatives have conveyed to the government that FTAs have not necessarily benefited Indian companies. Sitharaman cited inadequate awareness about the pacts as one of the reasons behind it.

"Our exporters have not had the opportunity to fully exploit the FTAs to their favour. As a result, many exports that could have happened to these countries (such as Asean) have really not happened. That is one of the reasons. So, we are reviewing the FTAs, along with industry sectors. Industry is participating in it," she said at The Economist India Summit 2016 here today.

The domestic steel industry has expressed concern over rising imports from Japan and Korea and demand-

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Commerce & industry minister

ed the removal of this commodity from the purview of the FTAs.

India has implemented these pacts with several countries, including Asean, Japan, Korea and Singapore. It is also negotiating similar agreements with the European Union, Australia, New Zealand and Canada.

Multi-brand retail

The government today ruled out a hike in the foreign direct investment (FDI) limit in multi-brand retail as small traders were not yet ready to face competition from global retailers.

"At the moment, India can create several Walmarts of its own. We welcome anybody, but if some way this dialogue is moving towards, why not (FDI in) multi-brand retail in India? My answer is, 'not yet'," Sitharaman said.

She said there were issues over last-mile connectivity, adequate infrastructure and financial inclusion of farmers and small traders.

These things are absent but this government is making every effort to bridge these gaps, she said.

Although the current FDI policy permits foreign players to hold 51 per cent stake in an Indian company, the BJP had opposed foreign investment in multi-brand retail in its election manifesto.

Trade in services

Sitharaman said the country would submit proposals to the WTO on ways to ease trade in services to leverage one of its competitive strengths.

"While there seems to be trade facilitation for goods, there does not seem to be trade facilitation for services, and that was a point I made in Paris. This is a matter on which the WTO will now have to work," she said.