

India's Regional Trading Arrangements

6.52 India views Regional Trading Arrangements (RTAs) as 'building blocks' towards the overall objective of trade liberalization complementing the multilateral trading system. In the past, India had adopted a very cautious and guarded approach to regionalism. Recognizing that RTAs would continue to feature prominently in world trade, India engaged with its trading partners/blocks with the intention of expanding its export market and began concluding in principle agreements and moving in some cases even towards Comprehensive Economic Cooperation Agreements (CECAs) which covers Free Trade Agreement (FTA) in goods, services, investments and identified areas of

economic cooperation. Framework agreements have already been entered into with a number of trading partners with specific road maps to be followed and specified time frames by which the negotiations are to be completed (Box 6.8). Joint Study Groups have also been set up for examining feasibility of CECA between India-Japan, India-Brazil-South Africa and India-Russia. The reports are at various stages of completion. India and European Commission have also set up a High Level Trade Group (HLTG) as mandated by the India-EU Summit held in New Delhi on September 7, 2005. The mandate of the HLTG is to explore ways and means to increase bilateral economic flows including the possible launching of negotiations on a comprehensive trade and investment agreement.