

## BILATERAL AND REGIONAL COOPERATION

6.132 India gives primacy to engagements in multilateral negotiations at the World Trade Organization. However, recognizing the fact that the regional cooperation would continue to feature for a long time in the world trade, India has engaged itself with its trading partners with the intention of expanding its export market. Regional Trading Arrangements, from India's point of view, should be "building blocks" towards the overall objective of trade liberalization and should complement the multilateral trading system.

6.133 Some of the recent developments related to bilateral and regional trade and cooperation are the following:

- *India-ASEAN CECA* : A Framework Agreement on Comprehensive Economic Cooperation between the Association of South East Asian Nations (ASEAN) and India was signed by the Prime Minister of India and the Heads of Nations/ Governments of ASEAN members during the Second ASEAN-India Summit on October 8, 2003 in Bali, Indonesia. In August 2008, an understanding has been reached on an Agreement on Trade in Goods including Dispute Settlement Mechanism. Negotiations towards Trade in Services and Investment are expected to conclude by 2009. AIFTA (Asian-India Free Trade Agreement) is likely to come into effect in 2009.
- *India-South Korea CEPA* : Negotiations for FTA in Goods, Services and Investment completed. CEPA may be signed soon.
- *India-Japan EPA* : FTA in goods, Services and Investment are under negotiations. The eleventh round of negotiations took place in New Delhi in December 2008.
- *India-EU Trade and Investment Agreement* : India and EU had set up a High Level Trade Group (HLTG) to study and explore ways and means to deepen and widen their bilateral trade and investment relationships. Negotiations commenced after India-EU Summit held in Helsinki on October 13, 2006, endorsed the views of the HLTG that both sides moved towards negotiations for a broad-based bilateral trade and investment agreement. So far six rounds of negotiations have been held. Last

round of negotiations was held in New Delhi in March 2009.

- *India-Gulf Cooperation Council (GCC) Framework* : Agreement Framework Agreement signed on August 25, 2004. FTA covering goods, services and investment is being negotiated. Third round of talks is scheduled to take place in New Delhi in 2009.
- *India-SACU PTA* : A PTA is being negotiated. Third round of negotiations took place in New Delhi in November 2008.
- *India-EFTA* : First round of negotiations took place in New Delhi in October 2008. Third round of negotiations took place in New Delhi in February 2009.
- *Asia-Pacific Trade Agreement* : APTA's Fourth Round of negotiations was launched on October 26, 2007, where commitment to further widen product coverage and deepen the tariff cuts was reaffirmed. The negotiations of the Fourth Round are scheduled and expected to be completed by the Third Session of the Ministerial Council to be held in 2009.
- *Indo-UK Economic and Financial Dialogue* : The Second Round Ministerial level Economic and Financial Dialogue (EFD) was held on August 11, 2008 in London. Topics discussed were (i) Global Economy and Trade, (ii) Financial Services, (iii) Public Private Partnership, (iv) Climate change, (v) Low carbon low cost car technology and (vi) Development and Poverty Reduction. India and UK signed an MoU on the PPP and issued a joint statement with the HM Treasury at the conclusion of the EFD.
- *India-Australia Economic Policy Dialogue* : An India-Australia Economic Policy Dialogue was held in April 2008, New Delhi. The dialogue covered the following topics: Global and Regional Economic Outlook, Financial Sector reform, Goods and Services Tax and FDI.

6.134 In India's regional and bilateral trading arrangements, the neighbouring countries of India like Bangladesh, Sri Lanka, Bhutan and Nepal figure again and again. In the case of most of RTAs/FTAs which have been implemented, exports are generally higher than imports. Import and export growth rates have increased immediately after the RTAs/FTAs were implemented due to unshackling of restrictions though import growth was generally higher.