

Govt drive for better sectoral impact assessment of FTAs

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The Commerce Department is on a drive for better sectoral impact assessment of the existing Free Trade Agreements (FTAs) India has implemented with various partner countries, in order to have more meaningful reviews of such pacts, and to be more prepared for future deals, said a source tracking the matter.

It is also actively working on the creation of new item classification (HS Codes) to identify more products that are clubbed together in the 'others' category, to effectively monitor the imports and to check the issue of

misclassification of products.

"Several line ministries and departments, such as chemicals and petrochemicals, textiles, leather and steel, are working with their industry bodies on a detailed impact assessment, and also in some cases, bring out a list of new items to be classified. These would be submitted to the Commerce Department for compilation," the source told *businessline*.

TRADE DEALS SIGNED

So far, India has signed 13 FTAs with its trading partners, including three recent ones with Mauritius, the UAE and Australia. The others include ones with Japan,



GOING PLACES. India has so far signed 13 FTAs with its trading partners, including recent ones with Mauritius, UAE and Australia

South Korea, the ASEAN, Sri Lanka, Malaysia, Indonesia, and the neighbouring South Asian countries

(SAFTA). "The idea behind the sectoral assessment is to understand how various products have fared under

the existing FTAs, and what needs to be done to minimise the negative impacts and maximise gains from potential areas," said the source.

The Department for Chemicals and Petrochemicals, for instance, has sent a communication to various industry bodies to put together the representations they have been making on the negative impact of some of the existing FTAs on the sector, said an industry official.

"This will then be sent to the Commerce Department and used as inputs for the overall FTA analysis," he added.

Although it may be difficult to go back on commitments made in FTAs, in

subsequent reviews of the pacts with partner countries, a disproportionate increase in imports could be used as a good ground to justify import restrictive measures or demand more market access in other areas.

"If new sensitivities get highlighted from the sectoral review, these could be kept in mind while negotiating future agreements like the on-going ones with the UK, the EU and Canada," said the first source.

The Commerce Department is also trying to come up with new product tariff classification to effectively monitor imports and to check misclassification of products.