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## THE COMPREHENSIVE TRADE AGREEMENT WITH INDIA: WHAT'S IN IT FOR CANADA (OR INDIA FOR THAT MATTER)?\*†

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### SUMMARY

Prime Minister Stephen Harper is leading a mission to India from November 3 to 9, 2012. On this, his second official visit to India, Harper will meet with the prime minister of India, Manmohan Singh, with the stated goal of strengthening trade and investment links between the two countries. In fact, the two countries have been negotiating a trade agreement known as the Comprehensive Economic Partnership Agreement (CEPA) since November 2010.

The case for Canada to pursue a comprehensive trade agreement with India appears to be ironclad. India is a rapidly growing, very large economy with the second largest population and tenth largest GDP in the world. India is open for business and began economic reforms to liberalize trade and investment, deregulate industry and privatize state-owned enterprises in the early 1990s. India has been growing at an average rate of more than seven per cent per year since 1997. Moreover, India is a democracy and shares a colonial past with Canada. However, bilateral economic relations between the two countries have historically been very weak, but with the potential to grow substantially. It seems like India has all the right ingredients for Canada to make the CEPA a priority.

So, what can Canada really expect from these negotiations?

The answer: Unfortunately, not much.

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## L'ACCORD COMMERCIAL GLOBAL AVEC L'INDE: L'ENJEU POUR LE CANADA (OU MÊME, POUR L'INDE)<sup>\*†</sup>

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### RÉSUMÉ

Le Premier ministre Stephen Harper dirige une mission en Inde du 3 au 9 novembre 2012. À cette occasion qui constitue sa deuxième visite officielle dans ce pays, Harper rencontrera le Premier ministre indien, Manmohan Singh, dans le but avoué de renforcer les liens commerciaux et d'investissement entre les deux pays, lesquels négocient en fait un accord commercial global depuis novembre 2010.

Les raisons pour lesquelles le Canada tient à cet accord avec l'Inde semblent inattaquables. L'Inde est un pays en croissance rapide, son économie est très substantielle, sa population est la deuxième en importance de la planète. Quant à son PIB, il se situe au dixième rang mondial. L'Inde est ouverte au commerce et elle a amorcé des réformes économiques pour libéraliser les échanges et l'investissement, déréglementer l'industrie et privatiser les entreprises d'État au début des années 1990. Son taux de croissance annuel moyen depuis 1997 atteint plus de sept pour cent. En prime, l'Inde est une démocratie et tout comme le Canada, elle a déjà été une colonie. Toutefois, les relations économiques bilatérales entre les deux pays ont toujours été très faibles bien que le potentiel d'une croissance importante existe. On pourrait croire que tous les ingrédients sont réunis pour que le Canada fasse du projet d'accord commercial avec l'Inde une priorité.

Mais qu'est-ce que le Canada peut réellement attendre de ces négociations?

En quelques mots : peu de chose, malheureusement.

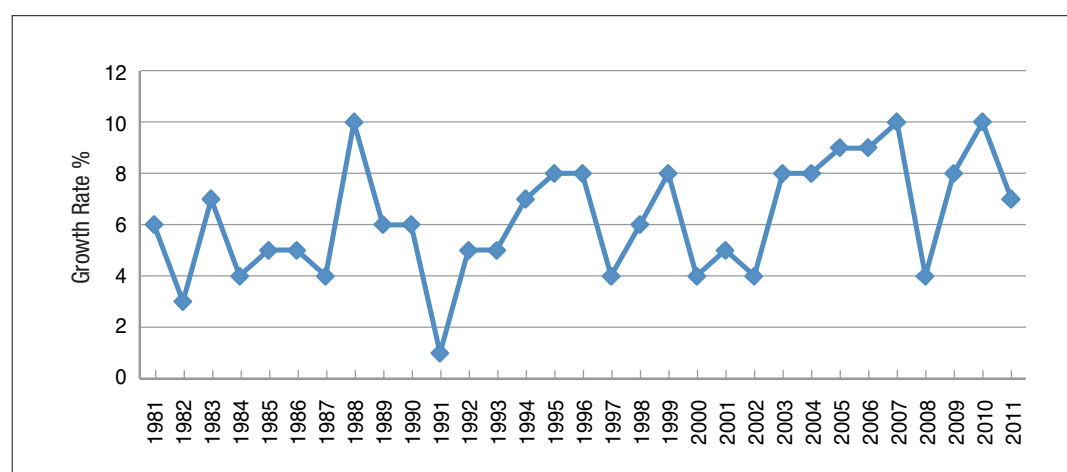
\* Cette recherche a été soutenue financièrement en partie par le gouvernement du Canada via Diversification de l'économie de l'Ouest Canada.

† L'auteur souhaite remercier Chendong Li pour son aide à la recherche, et des lecteurs anonymes pour leurs commentaires utiles.

## BACKGROUND ON THE INDIAN ECONOMY

India is a rapidly growing, very large economy, with the second largest population in the world. According to World Bank data, in 2011, India's GDP was US\$1.848 trillion, making it the 10th largest economy in the world, just ahead of Canada.<sup>1</sup> Not only is India a large and important economy, but its significance is only increasing. India is open for business and began economic reforms to liberalize trade and investment, deregulate industry and privatize state-owned enterprises in the early 1990s. As Figure 1 indicates, India was growing around four per cent per annum throughout most of the 1980s and, after very slow growth in the early 1990s, has been growing rapidly — at an average rate of more than seven per cent per year since 1997 — although the 2008 global financial crisis led to a recent slowdown in growth.

**FIGURE 1** INDIA GDP ANNUAL GROWTH (%)



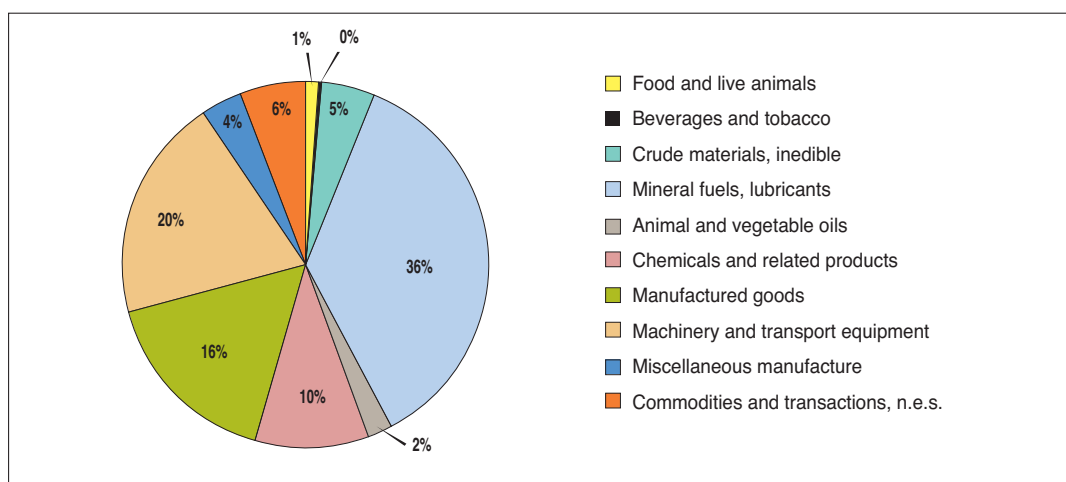
*Data Source: World Bank.*

India, prompted by demands from the International Monetary Fund (IMF), undertook major economic reforms in the 1990s. Among other things, these reforms liberalized trade and investment, deregulated industry and privatized state-owned enterprises. The reforms brought India into the global economy in a major way, and the country quickly became a regional and global economic juggernaut. Prior to the reforms, India was not an open economy, with imports representing about eight per cent of GDP throughout the 1980s and as late as 1992. Exports hovered around five or six per cent of GDP throughout the 1980s. After the reforms, trade grew at an even faster rate than the rapidly expanding Indian economy. By 2000, imports had reached 14 per cent of GDP and had reached 22 per cent by 2005. In 2011, imports into India reached 30 per cent of GDP. Exports underwent a similar transformation, reaching 20 per cent of GDP by 2000 and 25 per cent of GDP in 2011.

<sup>1</sup> Source: <http://data.worldbank.org>. Note that in 2011, using PPP-adjusted, or purchasing power parity-adjusted data, India's gross national income was \$4.491 trillion (in purchasing power parity-adjusted international dollars) making it the fourth largest in the world, ahead of Germany, Russia, France and Brazil. The PPP-adjusted gross national income (or PPP GNI (formerly PPP GNP)) is converted to international dollars using purchasing-power-parity rates. This allows for comparisons across countries. An international dollar has the same purchasing power over GNI as a U.S. dollar has in the United States. Gross national income (GNI) is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad.

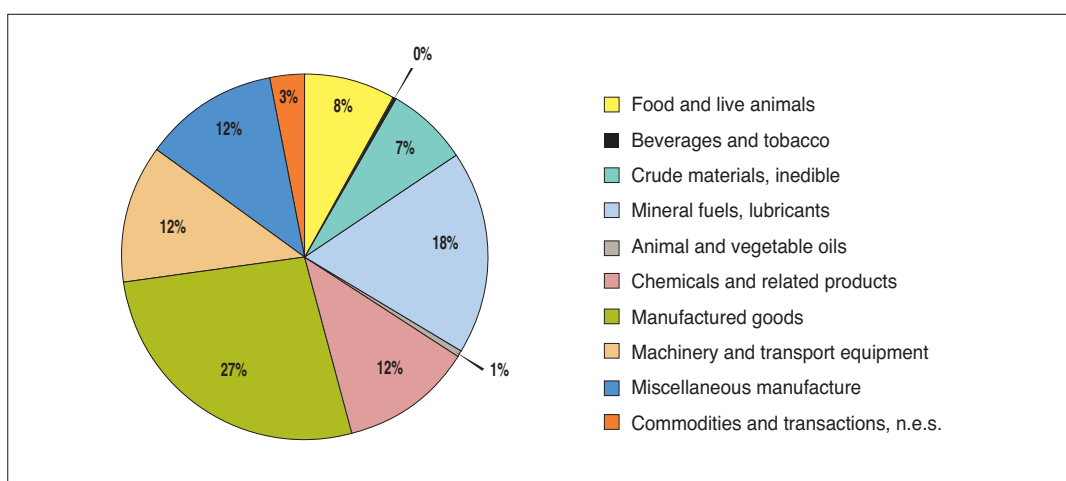
As Figures 2 and 3 indicate, most of India's imports and exports are mineral fuels, manufactured goods and machinery and transport equipment. Note that the miscellaneous manufactured goods category includes heating and lighting fixtures, furniture, handbags, and apparel and clothing. From 1995 to 2004, the United States was the largest supplier of India's imports. From 2005 to 2011, China became India's largest import partner followed by the United Arab Emirates, Saudi Arabia, and the United States. Switzerland, Iraq, Germany and Australia are the next largest suppliers of India's imports. India's exports follow a similar pattern. The U.S. was India's largest export partner from 1995 to 2004, but since 2005 China has been India's largest export partner, followed by United Arab Emirates, Saudi Arabia and then the United States, Iraq, Kuwait, Germany, and Australia.

**FIGURE 2 INDIA EXPORTS 2011**



Source: UNCTAD, UNCTADstat Merchandise trade matrix <http://unctadstat.unctad.org>

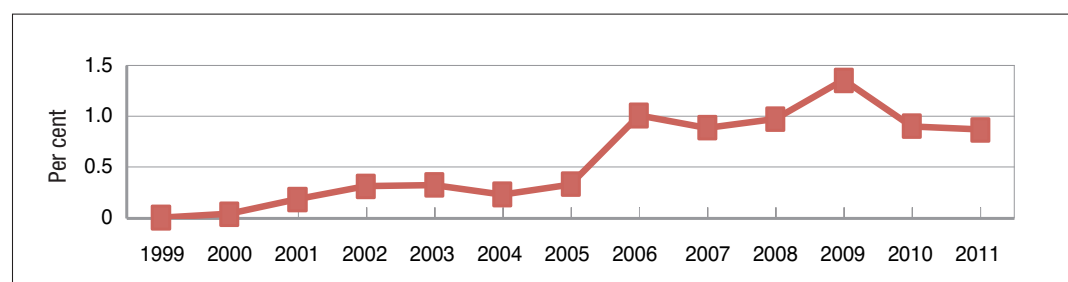
**FIGURE 3 INDIA IMPORTS 2011**



Source: UNCTAD, UNCTADstat Merchandise trade matrix <http://unctadstat.unctad.org>

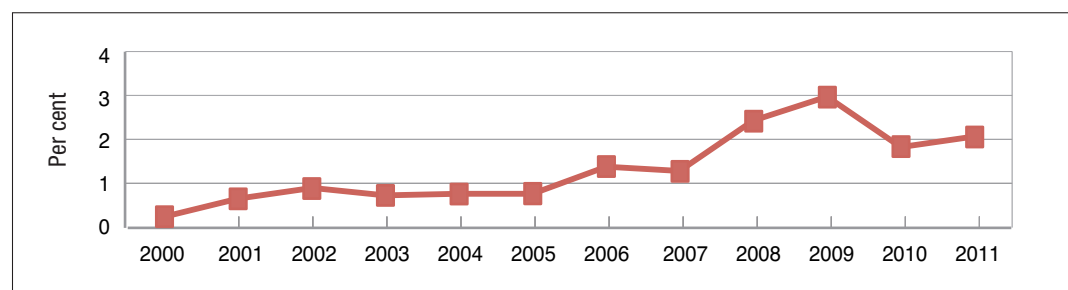
India has also transformed from a very insular country into a major player in world financial flows. Annual foreign direct investment (FDI) flows into India were less than US\$100 million in the 1980s, but grew to US\$3,388 million by 2000 and to US\$31,554 million by 2011. Similarly, Indian investors were not investing outside of India at all in the 1980s and were only investing US\$80 million abroad in 1999. However, by 2011, FDI outflows from India reached US\$14,752 million. This is a remarkable increase in both inward and outward FDI over a relatively short period of time. As Figures 4 and 5 indicate, this growth has made India a country that received almost three per cent of world FDI and invested almost one per cent of world FDI in 2009.

**FIGURE 4 INDIA FDI OUTFLOW (PERCENTAGE OF TOTAL WORLD)**



Source: UNCTAD, UNCTADstat Foreign Direct Investment <http://unctadstat.unctad.org>

**FIGURE 5 INDIA FDI INFLOW (PERCENTAGE OF TOTAL WORLD)**



Source: UNCTAD, UNCTADstat Foreign Direct Investment <http://unctadstat.unctad.org>

The increases in trade and investment experienced by India were driven by the policy reforms of the 1990s, as part of a bail-out deal with the IMF. Not only did India undertake important policy changes domestically, but it also dramatically reformed its international economic policies. India lowered trade and investment barriers, and on January 1, 1995, it joined the World Trade Organization (WTO). As the Appendix table indicates, India has also been very active in signing regional and bilateral trade and investment agreements, such as the South Asian Free Trade Agreement, the Asia-Pacific Trade Agreement, and bilateral agreements with Malaysia, Chile, Afghanistan, Japan and South Korea. India is currently negotiating 22 other regional or bilateral agreements.

Although India has liberalized trade and investment considerably since the 1990s, it still has some work to do to improve market access. According to the WTO's 2011 Trade Policy Review of India, India continues to reduce tariffs, but the the simple average MFN tariff rate is still 12 per cent in 2010/11 (down from 15.1 per cent in 2006/07).<sup>2</sup> According to the report, India continues to use trade policy actively. In addition to tariffs India employs non-tariff barriers including prohibitions, licenses, and restrictions to restrict imports. Moreover, India is very active in using new forms of protection – anti-dumping measures. According to the report, India is one of the most active users of anti-dumping measures among WTO Members. It initiated 209 anti-dumping investigations against 34 trading partners from 2007-2011. India also has work to do with respect to foreign direct investment. The Indian government is gradually expanding the number of sectors in which FDI is allowed, but many sectoral restrictions remain. Most sectors are partially open to FDI with some conditions but FDI is prohibited in a number of sectors including retail trading and some service and agriculture activities. An example of this is highlighted by Wal-Mart's trouble getting permission to operate in India.<sup>3</sup>

India has joined the world economy in a significant way and undergone a tremendous transformation. Where does Canada fit into India's expanding global linkages?

## CANADA-INDIA ECONOMIC RELATIONS

Trade and investment flows between Canada and India have been growing and are important in a few product groups. However, overall, our trading relationship is not very significant. Table 1 presents the top 10 Canadian export destinations from 2007 to 2011, with Hong Kong coming in at number 10, with \$2966.58 million dollars in exports representing 0.66 per cent of total Canadian exports in 2011. Canadian exports to India grew from \$1,792 million in 2007 to \$2,629 million in 2011, representing just under 0.6 per cent of Canadian exports. Trade relations between Canada and India are relatively insignificant in aggregate. However this masks the fact that trade between the two countries is important when it comes to a few products. Tables 2 and 3 present Canadian exports and imports to/from India in 2011, broken down by narrowly defined products. Canada's top three exports to India are peas, potassium and newsprint, together representing over 45 per cent of Canada's exports to India. The important thing to keep in mind is that these numbers can represent a large share of Canadian total exports of these particular products. For example, Canadian exports of peas to India represent over 50 per cent of Canadian total pea exports to all destinations. Almost half (48 per cent) of Canadian asbestos exports are to India. And 47 per cent of certain types of cameras; over 20 per cent of aluminum bars; 11 per cent of diamonds; and 10 per cent of newsprint exports are destined for India. While overall, Canadian exports to India are relatively small, India does represent a significant market share in these few products. There is a similar pattern when it comes to imports from India. Overall, imports to Canada from India are relatively small, but India does supply a large share of some imported products.

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<sup>2</sup> From the September 2011 WTO Trade Policy Review on India:  
[http://www.wto.org/english/tratop\\_e/tpr\\_e/s249\\_sum\\_e.pdf](http://www.wto.org/english/tratop_e/tpr_e/s249_sum_e.pdf)

<sup>3</sup> See the Financial Times Sept 19, 2012 article by David Pilling "Manmohan gets his mojo back at last."



Although India has grown to be a large and fast growing market, Canada has largely been left sitting on the sidelines, watching. One of the key determinants of trade and investment flows is distance. This is largely reflected in both India's and Canada's close trade and investment ties with nearby countries and regional powers. Of course, country size, language, and colonial heritage are also important determinants of trade and investment patterns. India is large and shares with Canada a language and a colonial heritage. But these factors have not been enough to overcome distance and other challenges to create closer economic ties. The question is: Will the Comprehensive Economic Partnership Agreement (CEPA) make a big difference and lead to closer economic ties between the two countries in the future?

## **WHAT TO EXPECT IN TRADE AND INVESTMENT**

It is difficult to be optimistic in expecting much to come out of the mission to India — or even expecting a significant outcome from the ongoing trade negotiations with India over the short run. Currently, the two countries are not what one would consider “natural” trading partners. The relatively low levels of economic integration are not the result of significant protectionism or policy-induced barriers to trade. Although India still has some work to do in liberalizing trade and investment it is not likely that further reduction in trade and investment impediments will come close to matching the impact made by the significant reforms already undertaken in India. Barriers have already come down significantly, and Canada's trade and investment relations with India have grown, but have lagged behind India's relations with larger and closer countries. Trade negotiations between Canada and India have been underway for two years now and seem to be going nowhere, fast, with the two countries seemingly on different pages when it comes to their respective goals for the agreement. One of Canada's goals is to improve Canadian market access into India, something India has no interest in. As mentioned above, India is an active user of trade and investment policies designed to achieve domestic goals. India is currently not prepared to move further on these issues and any improvement Canada can get on market access will be hard fought. Canada is also interested in negotiating the liberalization of services and procurement. Again, these are off the table as far as India is concerned. On the other hand, one of India's goals is to improve the movement into Canada of people providing services (what is known at the WTO as Mode 4). India has a long list of countries it is negotiating trade deals with, and Canada is well down on the list of Indian priorities. Canada on the other hand would be better off focusing its efforts on completing its trade negotiations with the EU and on its pursuit of membership in the Trans-Pacific Partnership. Taken together the most likely outcome from the Indian mission and the negotiations are quite small.

## CONCLUSIONS

At first glance India appears to be a very good candidate for deepening economic ties with Canada. It is a very large and rapidly growing economy with a rapidly growing middle class. It is a democracy with similar language and colonial traditions. It is open for business and is keen to expand trade and investment worldwide. Canadian-Indian economic ties have grown over the period of India's economic transformation, but not as fast as Indian trade and investment with many other countries has. Some Canadian businesses have taken advantage of India's expansion and this shows up in certain sectors and product groups. Overall our economic relationship is not very strong, but this likely reflects geographic distance and the lack of complementary economic interests — rather than government policies limiting trade and investment between the two countries. Based on past economic missions of the sort happening next week, it is unlikely that much will be achieved during next week's mission, other than possible individual deals forged between interested business partners. As for the negotiations, given these factors and the other trade policy priorities in the two countries it is unlikely that the negotiations will produce big results.



**TABLE 1: TOP 10 CANADIAN EXPORT DESTINATIONS, COMPARED WITH INDIA: 2007-2011 (MILLIONS \$)**

	2007	2008	2009	2010	2011	Share 2011
<b>United States</b>	355609.8983	375479.6207	270090.4831	299075.0137	329799.5058	73.70%
<b>United Kingdom</b>	12788.66799	12995.96638	12051.86489	16367.38806	18791.3998	4.20%
<b>China</b>	9512.309274	10468.23418	11151.43332	13232.2658	16809.66157	3.76%
<b>Japan</b>	9222.627821	11085.97661	8316.236824	9195.225455	10670.58251	2.38%
<b>Mexico</b>	4958.089954	5844.246266	4803.423292	5008.226868	5476.487629	1.22%
<b>Korea, South</b>	3007.839888	3837.063972	3528.908866	3709.313608	5098.434553	1.14%
<b>Netherlands</b>	4040.761873	3699.048774	2756.922085	3272.383506	4806.872317	1.07%
<b>Germany</b>	3865.248004	4484.140215	3734.129104	3936.632869	3955.032843	0.88%
<b>France</b>	3126.349579	3239.722555	2676.607324	2349.275091	3080.793524	0.69%
<b>Hong Kong</b>	1551.208224	1771.010533	1493.710092	1879.914533	2966.584488	0.66%
<b>India</b>	1791.864792	2418.093194	2138.958773	2058.70904	2628.585061	0.59%
<b>SUB-TOTAL</b>	409474.8657	435323.1233	322742.6777	360084.3485	404083.9401	90.30%
<b>OTHERS</b>	40845.95286	48165.03514	37010.88158	39215.28971	43417.06285	9.70%
<b>TOTAL (ALL COUNTRIES)</b>	450320.8185	483488.1585	359753.5593	399299.6382	447501.003	100.00%

Source: Compiled from Trade Statistics Online (<http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/Home>)

**TABLE 2: CANADIAN EXPORTS TO INDIA BY PRODUCT (2011)**

Product	HS Category	Exports \$ (000's)	Share of Canadian exports to India	Total Canadian exports (\$ 000's)	Share of total Canadian exports
Peas - dried and shelled	071310	563244.725	21.4%	1086918	51.8%
Potassium chloride	310420	373402.393	14.2%	6702340	5.6%
Newsprint - in rolls or sheets	480100	285794.516	10.9%	2779573	10.3%
Aircraft nes of an unladen weight (more than 15,000 kg)	880240	189229.614	7.2%	3965070	4.8%
Diamonds - unsorted - not mounted or set	710210	126750.825	4.8%	1928489	6.6%
Copper ores and concentrates	260300	80497.43	3.1%	3239709	2.5%
Bituminous coal - whether or not pulverized but not agglomerated	270112	72468.402	2.8%	8007307	0.9%
Diamonds - non-industrial - unworked - not mounted or set	710231	64669.8	2.5%	575792	11.2%
Lentils - dried and shelled	071340	64560.865	2.5%	873932	7.4%
Semi-chemical wood pulp	470500	39353.109	1.5%	1082423	3.6%
Nickel - unwrought, not alloyed	750210	33215.648	1.3%	2974622	1.1%
Unwrought aluminum - not alloyed	760110	31403.443	1.2%	3470492	0.9%
Chemical woodpulp - soda or sulphate - coniferous, bleached	470321	20873.745	0.8%	4375143	0.5%
Chemical woodpulp - dissolving grades	470200	20276.427	0.8%	755587	2.7%
Asbestos, o/t crocidolite	252490	19540.8	0.7%	40737	48.0%
Aluminum bars, rods and profiles - not alloyed	760410	17106.264	0.7%	82499	20.7%
Taps, cocks, valves and other similar appliances, nes	848180	14126.092	0.5%	682946	2.1%
Other ground flying trainers (incl. Flight simulators) nes and parts	880529	13497.722	0.5%	622076	2.2%
Helicopters of an unladen weight (more than 2,000 kg)	880212	13308.855	0.5%	528820	2.5%
Gold in unwrought form (non-monetary)	710812	13048.622	0.5%	16767981	0.1%
Cameras - of a kind used for underwater photography, aerial surveys and other special uses	900630	12948.605	0.5%	27473	47.1%
Lumber (thickness >6mm) - coniferous wood	440710	11157.033	0.4%	5172695	0.2%
Ferrous waste and scrap - iron or steel nes	720449	10315.087	0.4%	989108	1.0%
Worn clothing and other worn textile articles	630900	10122.99	0.4%	180387	5.6%
Ferrous waste and scrap - iron or steel from the mechanical working of metal nes	720441	10109.668	0.4%	507625	2.0%
<b>Sub-total</b>		2111022.68	80.3%	67419744	3.1%
<b>Other products</b>		517562.381	19.7%	380081256	0.1%
<b>Total (all products)</b>		2628585.061	100.0%	447501000	0.6%

Source: Compiled from Trade Statistics Online (<http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/Home>)

**TABLE 3: CANADIAN IMPORTS FROM INDIA BY PRODUCT (2011)**

Product	HS Category	Imports \$ (000's)	Share of Canadian imports to India	Total Canadian imports (\$ 000's)	Share of total Canadian imports
Medicaments nes - in dosage	300490	95708.552	3.8%	7775444.5	1.2%
Articles of jewellery - precious metals (other than silver)	711319	95668.873	3.8%	693232.8	13.8%
Diamonds - non-industrial - worked - not mounted or set	710239	93993.784	3.7%	404889.2	23.2%
Heterocyclic compounds containing a pyrimidine ring or piperazine ring, nes	293359	65096.572	2.6%	167419.9	38.9%
Petroleum oils and oils from bituminous minerals, o/t crude, o/t light	271019	58087.987	2.3%	7622722.9	0.8%
Shrimps and prawns - frozen	030613	55717.256	2.2%	330824.4	16.8%
T-shirts, singlets and other vests - knitted - cotton	610910	47041.479	1.9%	534715.6	8.8%
Quinones (other than anthraquinone)	291469	43751.481	1.7%	52635.7	83.1%
Rice - semi-milled or wholly milled	100630	39319.456	1.6%	249226.8	15.8%
Casings, tubing, other than stainless steel, seamless, for use in drilling	730429	36233.265	1.4%	562526.0	6.4%
Bedsheets, pillowcases and bed linen (incl. sets) - woven, not printed - cot	630231	32565.747	1.3%	145988.7	22.3%
Light petroleum oils and oils from bituminous minerals, o/t crude, and prep	271011	32292.296	1.3%	8749918.5	0.4%
Heterocyclic compounds containing an unfused thiazole ring in the structure	293410	31063.029	1.2%	38328.7	81.0%
Mens/boys shirts - woven - cotton	620520	25133.451	1.0%	302018.6	8.3%
Cotton terry towels and household linen of cotton terry fabrics	630260	24147.009	1.0%	126666.9	19.1%
Electric static converters (incl. power supplies, rectifiers and inverters)	850440	23499.29	0.9%	1114983.4	2.1%
Film, plates, sheets, foil and strip nes - of other plastics nes	392190	23332.144	0.9%	336824.5	6.9%
Parts of taps, cocks, valves or other similar appliances	848190	22560.596	0.9%	562019.8	4.0%
Mucilages and thickeners derived from locust beans and seeds or guar seeds	130232	21972.145	0.9%	63786.1	34.4%
Other heterocyclic compounds with nitrogen hetero-atom(s) only nes	293399	19961.859	0.8%	118972.4	16.8%
Womens/girls blouses, shirts and shirt-blouses - woven - cotton	620630	19359.098	0.8%	123219.4	15.7%
Sweaters, sweatshirts and waist-coats - knitted - cotton	611020	18540.705	0.7%	587822.3	3.2%
Worked monumental or building stone, simply cut or sawn - granite	680223	17807.857	0.7%	102130.6	17.4%
Towers and lattice masts - iron or steel	730820	17702.071	0.7%	119864.0	14.8%
Men's/boys shirts - knitted - cotton	610510	17145.068	0.7%	109514.8	15.7%
<b>Sub-total</b>		977701.07	38.6%	30995696.5	3.2%
<b>Others</b>		1555771.033	61.4%	414996303.5	0.4%
<b>Total (all products)</b>		2533472.103	100.0%	445992000.0	0.6%

Source: Compiled from Trade Statistics Online (<http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/Home>)

## APPENDIX

### INDIA'S TRADE AGREEMENTS AT A GLANCE

EXISTING	NEGOTIATION
<ul style="list-style-type: none"> <li>• Asia-Pacific Trade Agreement (Bangkok Agreement) (<i>signed in November 2005 and came into effect on July 2006</i>)</li> <li>• India-ASEAN CECA (<i>signed in August 2009 and came into effect in January 2010</i>)</li> <li>• Global System of Trade Preferences (GSTP)</li> <li>• SAARC Preferential Trading Agreement (SAPTA)</li> <li>• India-Sri Lanka FTA (<i>signed in December 1998, took effect in March 2000</i>)</li> <li>• India-Thailand FTA (<i>signed in March 2005 and came into effect in 2010</i>)</li> <li>• India-Singapore Comprehensive Economic Cooperation (CECA) (<i>signed in June 2005 and operational in August 2005</i>)</li> <li>• Indo-Nepal Trade Treaty (<i>current treaty renewed in January 2006 and in force for a period of seven years up to 2013</i>)</li> <li>• India-Mauritius PTA</li> <li>• India-Chile PTA (<i>signed in Jan. 2005</i>)</li> <li>• India-Bhutan (<i>signed in 1972 and renewed in July 2006</i>)</li> <li>• India-Bangladesh Trade Agreement (<i>signed in March 2009 and valid till March 2009</i>)</li> <li>• India-Afghanistan PTA (<i>signed in March 2003</i>)</li> <li>• South Asian Free Trade Agreement (SAFTA) (<i>signed in January 2004 and came into effect January 2006</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical &amp; Economic Cooperation) (<i>framework agreement was signed in February 2004</i>)</li> <li>• India-MERCOSUR PTA (<i>framework was signed in June 2003 and PTA was signed in January 2004</i>)</li> <li>• Gulf Cooperation Council (GCC) (<i>first-round negotiations held in 2006</i>)</li> <li>• India-China Joint Study Group (JSG) (<i>submitted in March 2005</i>)</li> <li>• India-South Korea CEPA (<i>signed in January 2006</i>)</li> <li>• Japan (JSG) (<i>submitted in 2006</i>)</li> <li>• Malaysia JSG (<i>constituted in March 2005</i>)</li> <li>• Pakistan</li> <li>• Southern African Customs Union (SACU) (<i>framework agreement was signed in September 2004</i>)</li> <li>• Egypt</li> <li>• India-Israel JSG</li> <li>• India-Russia JSG (<i>memorandum of Understanding (MoU) and cooperation signed in February 2006</i>)</li> <li>• Australia</li> <li>• India-Indonesia JSG (<i>MoU signed in November 2005</i>)</li> <li>• India-EU</li> </ul>

## **India Trade Agreements**

**(from Department of Commerce in India URL:  
[http://commerce.nic.in/trade/international\\_ta.asp](http://commerce.nic.in/trade/international_ta.asp))**

1. **India and South Asian Free Trade Agreement** (South Asian Member States comprise the People's Republic of Bangladesh, the Kingdom of Bhutan, the Republic of India, the Republic of Maldives, the Kingdom of Nepal, the Islamic Republic of Pakistan and the Democratic Socialist Republic of Sri Lanka).
2. **Asia Pacific Trade Agreement (formerly known as the Bangkok Agreement):** including Bangladesh, China, India, Republic of Korea and Sri Lanka (Date: Sept. 1, 2006).
3. **Comprehensive Economic Cooperation Agreement (CEPA) between India and Malaysia.**
4. **Global System of Trade Preferences among Developing Countries (GSTP):** a preferential trade agreement designed to liberalize trade between 77 developing countries. It entered into force on April 19, 1989.
5. **India-Africa Trade Agreement** (including: Angola, Botswana, Cameroon, Ivory Coast, Ghana, Liberia, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa, Swaziland, Seychelles, Tanzania, Uganda, Zaire, Zambia, Zimbabwe).
6. **Preferential Trade Agreement (PTA) with Chile.**
7. **Preferential Trade Agreement (PTA) with Afghanistan.**
8. **Comprehensive Economic Cooperation Agreement between India and Japan.**
9. **Comprehensive Economic Cooperation Agreement between India and South Korea.**
10. **India-ASEAN (Association of Southeast Asian Nations) Agreements:** Comprehensive Economic Cooperation between the Republic of India and the Association of Southeast Asian Nations.
11. **India-EU Trade and Investment Agreement (TIA).**

### **India Trade Negotiations:**

1. India-U.S. Trade Policy Forum Joint Statement.
2. India-United States Commercial Dialogue.
3. India-EU Strategic Partnership Joint Action Plan.
4. Association of South East Asian Nations (ASEAN) and India Free Trade Agreement (FTA) negotiations (different from the previous India and ASEAN general trade agreement).
5. India-Sri Lanka Comprehensive Economic Partnership Agreement (CEPA) negotiations.
6. India-Thailand Comprehensive Economic Cooperation Agreement (CECA) negotiations.
7. Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Free Trade Agreement (FTA) negotiations.
8. India-Gulf Cooperation Council (GCC) Free Trade Agreement (FTA) negotiations.
9. India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA) negotiations.
10. India-SACU Preferential Trade Agreement (PTA) negotiations.
11. Second Review of India-Singapore Comprehensive Economic Cooperation Agreement.
12. Expansion of India-Chile Preferential Trade Agreement (PTA).
13. India-MERCOSUR Preferential Trade Agreement (PTA) Negotiations.
14. India-Pakistan Trading Arrangement.
15. India-EU Board Based Trade and Investment Agreement negotiations.
16. India-European Free Trade Association (EFTA) Negotiations on broad based Bilateral Trade and Investment Agreement.
17. Global System of Trade Preferences (GSTP).
18. Asia Pacific Trade Agreement (APTA).
19. India-New Zealand Free Trade Agreement / Comprehensive Economic Cooperation Agreement.
20. India-Canada Comprehensive Economic Partnership Agreement (CEPA).
21. India-Australia Comprehensive Economic Cooperation Agreement (CECA).
22. India-Indonesia Comprehensive Economic Cooperation Agreement (CECA).





# THE SCHOOL OF PUBLIC POLICY

## About the Author

**Eugene Beaulieu** is a Professor in the Department of Economics and the Director of the International Economics Program at The School of Public Policy at the University of Calgary. Eugene has been at the University of Calgary since 1997 after completing his Ph.D. at Columbia University in New York City. Eugene has worked as economist for the government of Kenya and the Bank of Canada and has been a visiting professor at Carleton University and the University of Western Australia. He has held numerous awards including the Petro-Canada Young Innovators Award, the Killam Resident Fellowship, and the Norman Robertson Fellowship at the International Trade Canada.