

CAIT – Note on need for critically monitoring India's Free Trade Agreements

While trading community pays some – although far from adequate – attention to consequences arising from decisions of World Trade Organisation (WTO), almost no attention is being paid to various Free Trade Agreements (FTA) signed or being negotiated by India.

Apart from various transit treaties, India has signed some FTAs and many are under active negotiations including those with European Union.

These agreements will have wide repercussions on trading community, SME sector and economy in general.

These affects are not restricted to production and sale of goods and services alone. Their repercussions will be felt through out the economy. Insistence by EU on “Data Exclusivity” will delay introduction of cheaper medicine, even after expiry of patent, to site one example. Demands on environment, labour standards and other IPR issues are slowly but surely being loaded.

If business community is not vigilant it will suddenly face extremely unfavourable atmosphere. Bureaucrats and politicians signed the WTO agreements blindly, without entering into wider consultation and ignoring critical views. Views on proposed FTA agreements are invited and consultations do take place. However, business and industry do not seem to be fully alert of the matter.

These negotiations are complicated and involve lengthy drafts. The Singapore agreement consists of more than 1200 pages. It is difficult for individual business man or even trade association representing a few products or area to gather adequate resources to critically examine all the

issues. However a national level organisation like CAIT can do that. We should monitor, critically study and bring pressure where necessary for course correction. CAIT can take assistance of experts and engage consultants.