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Conclusion on Thai-India FTA postponed to 2013

The Nation

15 December 2012: The conclusion of the long-awaited comprehensive free-trade agreement between Thailand and India will possibly be postponed to 2013 instead of this month because both sides have yet to agree on several issues, the Trade Negotiations Department said.

Meanwhile, the department is also giving careful consideration as to whether it should go ahead with the Thai-European Union free-trade talks after related enterprises and consumers have voiced concerns about certain issues, mainly trade in pharmaceuticals and alcohol.

Delaying the conclusion of a comprehensive Thailand-India FTA could result in bilateral trade not meeting the US\$9-billion (Bt275.69 billion) projected expansion by 2014. However, it is believed the pact will be wrapped up by early 2013.

Piramol Charoenpao, Director-General of the Trade Negotiations Department, said that Thailand would not rush into finalising a deal with India if the benefits are not satisfactory to both sides. "The department recently informed Prime Minister Yingluck Shinawatra about postponing a final decision on the Thailand-India agreement because the benefits are not balanced. The prime minister has acknowledged this and will not push to conclude the talks during her visit to India," Piramol said.

Yingluck is scheduled to attend the Asean-India Leaders Summit in New Delhi on Thursday to Sunday. Initially it was expected that Yingluck and her Indian counterpart, Manmohan Singh, would announce the completion of the pact during this summit.

Since 2004, the two countries implemented the Early Harvest Scheme, under which tariff is waived on 82 items. This scheme now covers 84 items, while the FTA pact is expected to cover more items as well as the liberalisation of service and investment. However, so far, India has only agreed to open its market for 59 items, while Thailand has decided to eliminate tariff for 150. Hence, Thailand needs to convince India to include more items under the trade liberalisation scheme. India, however, wants Thailand to let more Indian professionals in though the Thai private sector has objected, because it would cut down on employment opportunities for Thai people.

In addition, Piramol said that the Thai government would need to carefully consider whether it should move ahead with talks about signing an FTA with the EU. The department has organised a public hearing on issues concerning pharmaceuticals, alcohol and cigarettes.

"We can relax on the Thai-EU FTA, though the department will pay careful attention to the issues and consider whether to start official negotiations," Piramol said.

However, the department and related private enterprises agree that a Thai-EU FTA is needed because Thailand is losing export privileges under the Generalised System of Preferences that the European Union has granted to other developing nations. Also, the bilateral pact should make Thailand more attractive to European investors, otherwise they might opt for Malaysia, which already has an FTA with EU, she added.

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Pact Pill For Thai Trade

The Telegraph

Kolkata, 15 March 2013: A comprehensive free trade agreement (FTA) between India and Thailand, likely to be concluded within three months, will increase bilateral trade to \$14 billion by 2014 from around \$8.6 billion in 2012.

The two countries have already implemented an early harvest scheme as part of the framework agreement to establish a free trade area.

Thailand has sought Indian investments in tourism, hospitality and food processing.

“There were 82 items mentioned in the early harvest scheme. In the second level of negotiation, we would like to include some professional services, refrigerators and other electronic items. They are being negotiated. We will like to see the negotiations conclude in the next three months,” said Nalinee Taveesin, Thailand’s trade representative and minister at the Prime Minister’s office.

She was speaking at a session organised by the Indian Chamber of Commerce here today.

India exports gems and jewellery, metal ores, chemicals, machinery, vegetables, electrical household appliances and pharmaceutical products to Thailand.

Major imports from that country include chemicals, polymers of ethylene, auto components, rubber and iron and steel.

Between April 2000 and January 2012, the Southeast Asian nation invested \$94.76 million in India, which constituted 0.06 per cent of the total foreign direct investment inflows.

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Dumping duty on plaster boards from China, 3 other nations

K. R. Srivats, Business Line (The Hindu)

New Delhi, 15 April 2013: The Finance Ministry has imposed definitive anti-dumping duty on certain gypsum plaster boards imported from China, Indonesia, Thailand and the United Arab Emirates.

The levy does not apply to fire boards, impact boards, ECHO boards, heat boards and thermal boards. This anti-dumping duty will be valid for five years with effect from June 7, 2012, the date of imposition of provisional anti-dumping duty.

Saint Gobain Gyproc India Ltd had filed the petition seeking anti-dumping probe on gypsum plaster boards imported from these four countries.

In the case of gypsum plaster boards produced and exported from China, the duty has been pegged at \$32.85 per cubic metre. For imports from Indonesia, it has been pegged at \$24.11 per cubic metre.

In the case of Thailand, the anti-dumping duty for plaster boards produced and exported by Siam Gypsum Industry (Saraburi) Co Ltd and Siam Gypsum Industry (Songkhla) Co Ltd has been pegged at \$54.46 per cubic metre.

For other producers and exporters from Thailand, the anti-dumping duty has been pegged at \$73.80 per cubic metre.

In the case of the UAE, the duty for plaster boards produced and exported by Gypsemna Co (L.L.C) Dubai has been pegged at \$12.30 per cubic metre. For all other producers and exporters from the UAE, the Revenue Department has imposed duty of \$20.15 per cubic metre.

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India, Thailand set to end FTA suspense by October

Shyamal Majumdar, Business Standard

Bangkok, 31 May 2013: In a major breakthrough, India and Thailand today agreed to conclude negotiations on a comprehensive free-trade agreement soon after June-July this year. The two countries also clinched an extradition treaty and signed a cooperation agreement on anti-money laundering. While the joint statement issued after discussions between Prime Minister Manmohan Singh and his Thai counterpart Yingluck Shinawatra here this evening did not give a timeframe by when the FTA will be signed, Ashok Kanth, Secretary East, said it was expected as early as October this year. The two leaders have asked their commerce ministers to take personal charge and show the required flexibility of the FTA to make this possible, Kanth added. The FTA has been under negotiations for nearly a decade now and it has taken 27 rounds of meetings to iron out the rough spots. Trade and investment relations between the two countries have improved significantly after the two concluded the framework agreement on FTA in 2003. An early harvest scheme of the FTA, with tariff exemption for 84 products, came into force as early as 2004. Over the past five years, trade between the two countries has been increasing at more than 15 per cent per annum. Last year, it crossed \$9.2 billion exactly half the volume of Indo-Japan trade volume. Singh, who came to Thailand for the first time on a bilateral visit (the earlier trips were for multilateral events only), said the FTA was necessary as both countries were planning massive investments in infrastructure over the next five years. Meanwhile, the signing of India's 39th extradition treaty after 20 years of negotiations will remove a major headache for New Delhi as Thailand has for long been used by underworld dons not only to evade arrests by law enforcers in India but also to escape attacks by rival gangs. For example, Chhota Rajan had survived an assassination attempt on him in a hotel in Bangkok in September 2000, when his former boss, Dawood Ibrahim, purportedly sent sharpshooters to kill him. Though one of his associates was killed, Rajan managed to escape with a bullet injury and later also fled from a hospital to escape arrests by a Mumbai Police team that rushed to Bangkok to catch him. The immediate extradition could be that of Munna Zingda, a Dawood Ibrahim aide who is wanted by the Mumbai police in several cases. India and Thailand already have a mutual legal assistance treaty and the two countries also signed an agreement for transfer of sentenced persons during Shinawatra's visit to New Delhi in January this year. In addition, the two sides signed a memorandum on cooperation in anti-money laundering. There were at least a couple of big initiatives on the connectivity front. First, India will explore cooperation on the Dawei special economic zone in Myanmar, which is expected to emerge as a major regional logistic hub and open shorter and quicker sea route to Indian ports in Chennai, Visakhapatnam and Kolkata. The project will also open business opportunities for the region and Indian infrastructure companies are interested in participating in its development. Second, a plan to have a physical link between Thailand and India via Myanmar is also being implemented with a trilateral highway project as it would enhance the connectivity between the Mekong sub-region and India. India's contribution will be in the northeastern states and helping Myanmar to build and upgrade roads and bridges inside that country, while Thailand will do its part to link to the Myanmar port. The project is expected to be completed by 2016. The two Prime Ministers also welcomed establishment of a Thailand-India Business Forum to expand the role of the private sector in business partnerships. The two sides also agreed to provide fast-track business visa service. The statement said there was a need for an institutional arrangement on the social security benefits of the workers in each other's countries, which will facilitate labour mobility. An agreement to this effect is expected soon. The two sides also agreed to strengthen maritime and defence relations, including through exchanges, exercises and joint patrolling. Besides, the two countries will explore

industry collaboration in the defence space. More joint initiatives will be taken in areas such as science and technology, space science, education, culture and people-to-people exchanges.

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India, Thailand could end FTA suspense in Oct

Huma Siddiqui, The Financial Express

New Delhi, 4 July 2013: The next round of negotiations for India-Thailand FTA will take place on July 10-12. Both sides are yet to give their approval on the text of sanitary and phytosanitary measures (SPS), a WTO agreement on how governments can ensure food safety, animal and plant health. The prime ministers of India and Thailand have set a target to complete negotiations on the Comprehensive Free Trade Agreement (FTA) by October, which is achievable if both sides agree on the SPS text and technical barriers to trade, India's ambassador to Thailand Anil Wadhwa said. During a recent visit by Prime Minister Manmohan Singh to Thailand, the FTA issue was taken up for discussion. The leaders of the two countries called for an acceleration in negotiations to conclude the trade agreement. They have already held 26 rounds of talks, with the last one taking place in New Delhi in November. The comprehensive FTA covers goods, services and investment, as well as issues of technical barriers to trade, investment, sanitary and related items. On investment, India does not need to negotiate much since it already signed the Asean-India FTA. "For the India-Thailand FTA, we can borrow the provisions relating to investment from there. On the services sector, both countries have strong interests as we require more liberalisation and freer flow of professional workers who can go to work in each other's country," said officials. This will prepare ourselves well for the Asean Economic Community in 2015.

Asean leaders are aiming to create an economic community by 2015, but achieving the target requires cooperation and coordination among the ten member economies.

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Government likely to review bilateral trade pacts, FTAs to reassess gains

Deepshikha Sikarwar, The Economic Times

New Delhi, 16 July 2013: The government may review India's bilateral trade pacts including free trade agreements (FTAs) amid increasing clamour from the industry against conceding foreign trading partners more access to the country's market without extracting significant gains in return.

The finance ministry wants a review of the FTAs to ensure an optimum deal for the country, a senior official told ET, adding that India cannot run a high current account deficit for long.

Even as the ministry has started reviewing the bilateral investment treaties, it is likely to soon ask the department of commerce to examine whether the country has got what it expected from the FTAs, most importantly with Thailand and the ten-member ASEAN.

"We are at the moment looking at bilateral investment promotion agreements. But FTAs need to be looked at," said the official, who did not wish to be named.

The domestic industry has been mounting pressure on the government, saying it has not gained much from the FTAs.

"India needs to have a fresh look at its FTA strategy in view of the continued slowdown in exports and not much gains being realised from services exports either," a spokesperson of the industry body CII told ET.

Indian industry's biggest concern is the India-Thailand agreement, which has kicked off in a limited way with an early harvest scheme that has eliminated tariffs on 82 items.

India's imports from Thailand rose to \$5.6 billion in 2012-13 from \$2.7 billion in 2008-09 while exports grew to \$3.7 billion from \$1.94 billion over the same period. The country's trade deficit with ASEAN, with which it signed a trade agreement in August 2009, has widened to \$18 billion from \$14.9 billion in 2009-10.

India has had a bitter experience with imports of gold from Thailand at a concessional duty under the trade early harvest scheme. Imports of gold items from Thailand shot up after India increased duty on the yellow metal to discourage its import and consumption.

Heavy bullion imports were one of the main reasons for the rise in the country's trade deficit to an all-time high of 4.8% of GDP in 2012-13.

Gold jewellery imports from Thailand have been suspended since and the finance ministry has sought removal of gold jewellery from tradeable item under the trade agreement with Thailand.

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