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Thai-India FTA signing soon

Petchanet Pratrungkrai, The Nation

7 November 2013: Thailand and India are scheduled to sign their long-awaited comprehensive free-trade agreement (FTA) at the World Trade Organization meeting next month after reaching an agreement on service-sector liberalization. The agreement would see an increase in bilateral investment in the countries' service businesses.

Deputy Commerce Minister Yanyong Phuangrach said the Thai Cabinet recently approved the comprehensive pact covering trade in goods, services and investment, which he said should benefit Thai businesses greatly as India had agreed to open its services market to Thai investors.

The agreement is expected to be signed by the two countries' leaders at the WTO summit in Indonesia in December. The pact will be Thailand's seven bilateral FTA, alongside those with Japan, Australia, New Zealand, Peru, China and Chile. Thailand is also negotiating a comprehensive pact with the European Union and four nations under the European Free Trade Association (EFTA).

Yanyong said Thailand should benefit greatly from India's service-sector liberalization, with many Thai enterprises having potential to expand their business in India to take advantage of the opportunities offered by the country's huge population and strong economic growth.

Under the FTA, Thai investors in India will be well protected under the latter country's investment law, the minister said.

Opening seven sectors

Jintana Chaiyawonnagal, deputy director-general of the Trade Negotiations Department, said Thailand has committed to open up seven sectors to Indian firms, but they would not be able to hold more than 49 per cent of shares in a company. This is less than Thailand allows other Asean members, who may hold up to a 70-per-cent share

The sectors are services, communications, construction and engineering, distribution, tourism, entertainment and transportation.

Jintana said Thai enterprises should not be worried about liberalisation, as Thai firms have a strong competitive edge at home, while the businesses that India is opening up to Thai firms are ones in which Thais are proficient.

India is opening up its tourism, hotel, restaurant, meeting, entertainment, legal, construction, and hospital sectors to Thai investors.

Thailand and India have already implemented an Early Harvest Scheme, under which tariffs have been waived on more than 80 items since 2004.

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Ministry of Commerce & Industry: Duty Imposed on Steel Imports by Thailand

India Public Sector News

New Delhi, 5 February 2014: Recently, Thailand imposed a definitive safeguard duty on imports of certain hot rolled steel flat products originating from India at the ad valorem rate of 44.2% for the period 15th September, 2013 to 26th February, 2014. This would be progressively reduced as per the provisions of Agreement on Safeguard under the World Trade Organization (WTO).

Safeguard duty so imposed will have an impact on India's exports of those specific products to Thailand.

Government is constantly reviewing policies and providing support from time to time to make the Indian products competitive in the international market. Apart from the neutralization of duties on imports, Government is providing incentives to various sectors, including engineering sector, by way of Focus Product Scheme, Focus Market Scheme, Market Linked Focus Product Scheme, Interest Subvention, Incremental Growth Scheme etc. To protect the domestic manufacturing sector, amongst others, Government is also monitoring the imports of steel products, so as to ensure that imports which can be avoided by strengthening the domestic manufacture are identified. Government is also invoking Trade Remedial actions by way of Anti-Dumping and Safeguard duties on imports following the rights and obligations under WTO.

The information was given by the Minister of State in the Ministry of Commerce and Industry Dr. E.M. Sudarsana Natchiappan in Rajya Sabha today.

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