

India, Canada formally agree to step up talks over FTA

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India and Canada recently, formally agreed to expedite talks to consider a free trade agreement between the two countries to boost trade in goods and services along with an early harvest deal, an official statement said.

India and Canada held the fifth Ministerial Dialogue on Trade & Investment (MDTI) in New Delhi.

What are FTAs?

- It is a pact between two or more nations to reduce barriers to imports and exports among them.
- Under a free trade policy, goods and services can be bought and sold across international borders with little or no government tariffs, quotas, subsidies, or prohibitions to inhibit their exchange.
- The concept of free trade is the opposite of trade protectionism or economic isolationism.

India-Canada FTA

- Ministers on both sides agreed to formally relaunch the negotiations for India-Canada Comprehensive Economic Partnership Agreement (CEPA) and also consider an interim agreement or Early Progress Trade Agreement (EPTA) that expedite mutual commercial gains.
- Both countries also agreed to undertake intensified work with respect to the recognition of Canada's systems approach to pest risk management in pulses and market access for Indian agriculture goods such as sweet corn, baby corn and banana.
- Canada also agreed to examine expeditiously the request of Agricultural and Processed Food Products Export Development Authority (APEDA) for facilitating Indian organic export products.

India's Important Trade Agreements

- **Comprehensive Economic Cooperation and Partnership Agreement (CECPA)** - India and Mauritius
- **South Asia Preferential Trading Agreement (SAPTA)** - for promoting trade amongst the member countries and came into effect in 1995.
- **South Asian Free Trade Agreement (SAFTA)** - It is an FTA confined to goods, but excluding all services like information technology. It was signed to reduce customs duties of all traded goods to zero by the year 2016.

Asian Free Trade Agreement (APTA) - It is a preferential tariff arrangement that aims at promoting intra-regional trade through the exchange of mutually agreed concessions by member countries.