

# Ahead of FTA, Goyal moots BIMSTEC preferential trade pact

**Our Bureau**  
New Delhi

BIMSTEC countries should examine the scope for negotiating a preferential trade agreement (PTA) before moving on to a free trade agreement (FTA) as a more realistic option, as also consider payment in local currencies, Commerce and Industry Minister Piyush Goyal has said.

Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal together form the BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) grouping.

"There have been about 22 rounds, so far, of negotiations (for BIMSTEC FTA). That leads us to a question of whether we should pause and take a relook at the track that we are going down on. Last negotiations took place six years ago. It clearly is a moment in time when we need to reassess," Goyal said at the BIMSTEC Business Summit organised by Confederation of Indian Industry and the Ministry of External Affairs on Wednesday.

"Maybe we can start with a PTA, if not an FTA. But let us examine realistic possibility and move forward on a fast-track basis," he added.

## **INTRA-TRADE DYNAMICS**

The seven BIMSTEC countries account for about 22 per cent of the world's population, \$3.3 trillion of combined GDP, and average annual economic growth of 6.8 per cent, pointed out Suchart Chomklip, Deputy Minister of Commerce, Thailand.

"To further enhance the dynamics of intra-trade in the BIMSTEC region, I believe BIMSTEC needs to focus on fostering greater participation of the private sector, enhancing trade and transit facilitation, promoting implementation of trans-



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parent trade measures which do not provide barriers to trade and investment. This is what a BIMSTEC FTA can do for us," he said.

Goyal said there is a need to examine what is holding back the BIMSTEC FTA despite most members speaking in its favour and whether regional FTAs are having an adverse effect. "There is clearly something which is holding back this FTA. Either it is NTBs (non-tariff barriers) or trade barriers that are coming in the way of normal trade... Or it could be regional FTAs and the effect of those FTAs on the BIMSTEC region. That's a matter of concern, causing delay."

## **INDUSTRY FEEDBACK**

On fostering local currency trade, Goyal urged other member countries to examine whether local currency trade could be balanced out between the countries in the region. He call on industry to give inputs on the proposed BIMSTEC FTA.

"I would urge business leaders of all member countries to give an honest feedback of what you feel about the potential of the FTA and if you see value in it," he said.