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**Committee on Trade and Development
Dedicated Session on Regional Trade Agreements**

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**FREE TRADE AGREEMENT BETWEEN INDIA AND MALAYSIA
(GOODS)**

QUESTIONS AND REPLIES

The following communication, dated 4 September 2013, is being circulated at the request of the delegations of India and Malaysia.

The document reproduces the questions addressed to the Parties and the responses submitted.

Questions from the delegation of Turkey

Question 1

- **3.1.2 Liberalization of trade and tariff lines**

Under this heading it is seen that tariffs will be reduced with a different timeframe. Would the parties kindly provide detailed information about how they made such a differentiation between the products considered under the scope of the Agreement?

Reply: Each side has agreed to have different timeframes for reduction of its tariff during the negotiations owing to various domestic sensitivities.

Question 2

- **3.4.1.1 Sanitary and Phytosanitary Measures**

In paragraph 3.30 it is mentioned that "Article 6.11 also permits the inspection of goods in transit in the event of identifiable SPS risks". Could the parties elaborate on the conditions for "inspection of goods in transit" and how will it be performed?

Reply: The purpose of having Article 6.11 in the FTA is to provide freedom of transit for goods-in-transit in accordance with Article V of GATT 1994. Both parties to the Agreement shall provide free transit to the goods of the other party which are meant to transit i.e. without inspection in the normal course. In the case of identifiable SPS risk, which will be worked out by both the parties, the inspection of goods may be carried out as decided by the parties when such a situation arises.

Question 3

- **Import Restrictions and Licensing System of India in relation to Article 2.9 of Chapter 2 of the Agreement on Non-Tariff Measures**

This Article states that:

1. The Parties shall not institute or maintain any non-tariff measures on the importation of goods from the other Party or on the exportation or sale for export of goods destined for the territory of the other Party, except in accordance with its WTO rights and obligations or other provisions in this Agreement.

2. Each Party shall ensure the transparency of its non-tariff measures allowed under paragraph 1 of this Article and their full compliance with its obligations under the WTO Agreement with a view to minimizing possible distortions to trade to the maximum extent possible.

Will all the imports from Malaysia be exempted from the Import Restrictions such as quotas and Licensing Procedures of India? If not will there be special treatment in quota allocation for imports from Malaysia?

Reply: This is a general paragraph requiring both parties not to institute or maintain any non-tariff measure on their import and export, except in accordance with provisions of WTO, and to ensure transparency of its non-tariff measures. It does not provide any special exemptions to Malaysia from quota and licensing procedures.
