

Areas of Economic Cooperation

(1) Where appropriate, the Parties agree to strengthen their cooperation in the following areas, including, but not limited to:

(a) Trade Facilitation:

(i) Mutual Recognition Arrangements, conformity assessment, accreditation procedures, and

standards and technical regulations;

(ii) non-tariff measures;

(iii) customs cooperation;

(iv) trade financing; and

(v) business visa and travel facilitation.

(b) Sectors of Cooperation:

(i) agriculture, fisheries and forestry;

(ii) services: media and entertainment, health, financial, tourism, construction, business process outsourcing, environmental;

(iii) mining and energy: oil and natural gas, power generation and supply;

(iv) science and technology: information and communications technology, electronic-commerce, biotechnology;

(v) transport and infrastructure: transport and communication;

(vi) manufacturing: automotive, drugs and pharmaceuticals, textiles, petrochemicals, garments, food processing, leather goods, light engineering goods, gems and jewellery processing;

(vii) human resource development: capacity building, education, technology transfer; and

(viii) others: handicrafts, small and medium enterprises, competition policy, Mekong Basin Development, intellectual property rights, government procurement.

(c) Trade and Investment Promotion:

(i) fairs and exhibitions;

(ii) India-ASEAN weblinks; and

(iii) business sector dialogues.

(2) The Parties agree to implement capacity building programmes and technical assistance, particularly for the New ASEAN Member States, in order to adjust their economic structure and expand their trade and investment with India.

(3) Parties may establish other bodies as may be necessary to coordinate and implement any economic cooperation activities undertaken pursuant to this Agreement.

ARTICLE 7

Early Harvest Programme

(1) With a view to accelerating the implementation of this Agreement, the Parties agree to implement an EHP, which is an integral part of the India-ASEAN RTIA, for products covered under paragraph 3(a) below. The progressive tariff reduction under the EHP shall commence from 1 November 2004, and tariff elimination shall be completed by 31 October 2007 for India and ASEAN-6, and 31 October 2010 for the New ASEAN Member States.

(2) For the purposes of this Article, the following definitions shall apply unless the context otherwise requires:

(a) "ASEAN 6" refers to Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand; and

(b) "applied MFN tariff rates" shall refer to the respective applied rates of the Parties as

of 1 July 2004.

(3) The product coverage, tariff reduction and elimination, removal of non-tariff barriers, rules of origin, trade remedies and emergency measures applicable to the EHP shall be as follows:

(a) Product Coverage

Common products on which the Parties agree to exchange tariff concessions are listed in Annex A.

Products on which India accords concessions to the New ASEAN Member States are listed in Annex B.

(b) Modality for Tariff Reduction and Elimination

The modality for tariff reduction and elimination for the products covered by the EHP shall be finalised under Article 8(2) of this Agreement.

(c) Removal of non-tariff measures

In order to fully realise the potential benefits of the EHP, the parties shall promote and facilitate trade in all products listed in the EHP. The parties shall also endeavour to refrain from using non-tariff measures adversely affecting trade in Early Harvest products.

(d) Rules of Origin

Products covered by the EHP shall qualify for tariff preferences in accordance with the Rules of Origin to be agreed under Article 8(2) of this Agreement.

(e) Application of WTO provisions

The WTO provisions governing modification of commitments, safeguard actions, emergency measures and other trade remedies, including anti-dumping and subsidies and countervailing measures, shall, in the interim, be applicable to the products covered under the EHP and shall be superseded and replaced by the relevant disciplines negotiated and agreed to by the Parties under Article 3(8) of this Agreement once these disciplines are implemented.

(4) The Parties shall also explore the feasibility of cooperation in the areas listed in Annex C.

ARTICLE 8

Timeframes

(1) For trade in goods, negotiations on the agreement for tariff reduction/elimination and other matters as set out in Article 3 of this Agreement shall commence in January 2004 and be concluded by 30 June 2005 in order to establish the India-ASEAN FTA.

(2) The negotiations on Rules of Origin for trade in goods under Articles 3 and 7 and modality for tariff reduction and elimination under Article 7 shall be concluded no later than 31 July 2004.

(3) For trade in services and investments, the negotiations on the respective agreements shall commence in 2005 and be concluded by 2007. The identification, liberalisation, etc., of the sectors of services and investment shall be finalised for implementation subsequently in accordance with the timeframes to be mutually agreed:

(a) taking into account the sensitive sectors of the Parties; and (b) with special and differential treatment and flexibility for the New ASEAN Member States.

(4) For other areas of economic cooperation, the Parties shall continue to build upon existing or agreed programmes set out in Article 6 of this Agreement, develop new economic cooperation programmes and conclude agreements on the various areas of economic cooperation. The Parties shall do so expeditiously for early implementation in a