

Negotiations for India-Oman CEPA Concluded

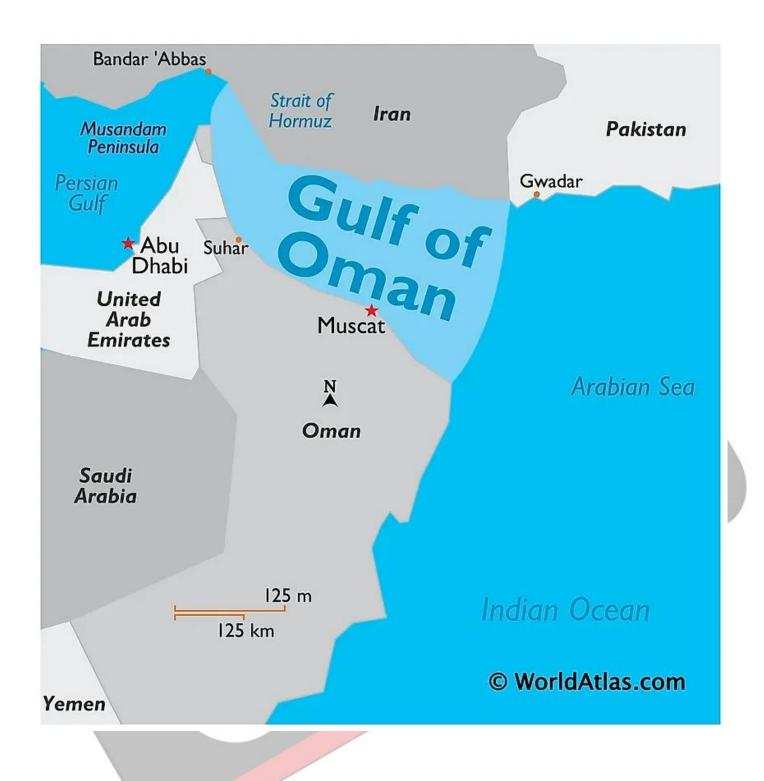
Source: ET

India concluded negotiations for the <u>Comprehensive Economic Partnership Agreement (CEPA)</u> with **Oman**, aimed at **boosting trade and investment**.

- CEPA is a free trade agreement that encompasses trade in goods and services, along with broader economic cooperation in areas such as trade facilitation, competition policy, and intellectual property rights (IPR).
- It is broader than a standard <u>FTA</u>, also addressing regulatory issues to ensure smooth and predictable trade.

India-Oman Bilateral Relations:

- Strategic Partnership: Oman, bordering the UAE, Saudi Arabia, and Yemen, is a key Gulf partner. Diplomatic relations were established in 1955 which was upgraded to strategic partnership in 2008.
- Trade and Economic Relations: Oman is the third-largest export destination among the Gulf Cooperation Council (GCC) countries for India, following UAE and Saudi Arabia.
 - Bilateral trade reached USD 10.61 billion (FY 2024-25), with India's key
 exports including light oils, rice, machinery, and metals, while imports mainly consisted
 of crude oil, LNG, fertilizers, and chemicals.
- Multilateral Cooperation: Oman is an important interlocutor in the GCC, Arab League, and IORA.



MAJOR TRADE AGREEMENTS OF INDIA

Free Trade Agreement (FTA) With Neighbouring Countries

- (9) India-Sri Lanka FTA
- (India-Nepal Treaty of Trade
- India-Bhutan Agreement on Trade, Commerce, and Transit

A free trade
agreement is a
comprehensive deal
between countries,
offering preferential
trade terms and tariff
concessions, with
a negative list excluding
specific products
and services.

Others:

- India-Australia Economic Cooperation and Trade Agreement (ECTA)
- India-Thailand Early Harvest Scheme (EHS)
- India-Mauritius Comprehensive
 Economic Cooperation and Partnership
 Agreement (CECPA)

An EHS precedes an FTA/CECA/CEPA, where negotiating countries select products for tariff liberalisation, paving way for broader trade agreements and fostering confidence.

Regional FTA's of India

- India ASEAN Trade in Goods Agreement (11): 10 ASEAN countries + India
- South Asia Free Trade Agreement (7): India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, and the Maldives
- (41 countries + India)

India's CECAs and CEPAs

CECA/CEPA is broader than FTAs, addressing regulatory, trade, and economic aspects comprehensively, with CEPA having the widest scope including services, investment, etc while CECA mainly focuses on tariff and TQR rates negotiation.

- CEPA with UAE, South Korea, Japan
- (9) CECA with Singapore, Malaysia



Preferential Trade Agreements (PTAs)

Partners in a PTA grant preferential access to specific products by lowering duties on agreed tariff lines, maintaining a positive list of products eligible for reduced or zero tariffs.

- Asia Pacific Trade Agreement (APTA): Bangladesh, China, India, S. Korea, Lao PDR, Sri Lanka, and Mongolia
- SAARC Preferential Trading Agreement (SAPTA): Same as SAFTA
- India-MERCOSUR PTA: Brazil, Argentina, Uruguay, Paraguay and India
- (9) India's PTA with Chile, Afghanistan

Read More: India-UK Free Trade Agreement, Reviewing Free Trade Agreements

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