

Manama

India and the GCC should finalise the signing of the Free Trade Agreement (FTA) between them in order to accelerate the process of their economic integration and be in line with the current global environment.

The FTA will remove restrictive duties, push down tariffs on goods and pave the way for more intensive economic engagement between the two blocs which will result in boosting the bilateral trade by at least 30 per cent,

Bahrain India Society Chairman Abdulnabi Alsho'ala said.

Speaking on the concluding day of the two-day Asian Relations Conference 2010 on the topic "Indian and Gulf: Security Perspectives." The event was organised by the Indian Council of World Affairs in Gulmohan Auditorium at India Habitat Centre in Delhi on Sunday, he said:

"The discussion for the finalisation of the agreement has been going on since 2005. Already three rounds of talks have been completed." "However, prolonging the current stand-still situation of the negotiations will ulti-

Call to sign India-GCC FTA soon



● Abdulnabi Alsho'ala

mately hamper the development of the strategic engagement between the two regions. Our conference should call upon our governments to iron out their differences and to expedite and fast-track the negotiations in order to reach a speedy conclusion leading to the signing of the Agreement," he said.

In terms of the economic and trade ties, both the regions depend on each other increasingly for supplies, energy and human resources. Today, the GCC, as a bloc, is the largest trading partner of India and the annual bilateral trade between the two regions is expected to

reach \$120 billion by the end of this year.

Trade between India and the GCC has witnessed impressive growth in recent years. Between 2000 and 2005, India's total trade with the GCC countries has risen nearly three-fold from \$7bn to \$19.3bn and to \$23.4bn in 2006, (Source: Direction of Trade Statistics, IMF, 2006). He said that achieving economic prosperity through closer economic cooperation between India and GCC can lead to the

uplifting of the economic condition of people in both the regions.

GCC and India are natural trading partners and share a massive area of bilateral complementarities. India today, as partner and neighbour, is a very strong and reliable than at any other time before during its modern history.

A current study conducted by the Research and Information System for Developing Countries (RIS), New Delhi, concluded that the magnitude of India's export potential with the GCC was very high - highest with Oman, followed by Qatar, Bahrain, and Kuwait.