

CHAPTER 4

ASEAN-INDIA TRADE RELATIONS

4 ASEAN-India Trade Relations

ASEAN is Association of South East Asian Nations comprises of Indonesia, Singapore, Thailand, Malaysia, Philippines, Cambodia, Laos, Brunei Darussalam, Vietnam and Myanmar established in 1967 with "One Vision, One Identity, One Community", for promoting lasting peace, security and stability, sustained economic growth, shared prosperity and social progress, and as to promote vital interests, ideals and aspirations in the region. ASEAN is a continuous growing regional bloc in the world after European Union (EU) and North America Free Trade Agreement (NAFTA).

ASEAN has expanded its economic and political engagements with other Asian nations in the form various bilateral Free Trade Agreements (FTAs) and recently in the form of mega-regional arrangement known as Regional Comprehensive Economic Partnership (RCEP) (ASEAN 10 member nations + China + India + Japan + South Korea + Australia and New Zealand). RCEP is a proposed agreement in which negotiations are going on between ASEAN 10 plus China + India + Japan + South Korea + Australia and New Zealand. In fact, RCEP would be the world largest trading bloc in terms of population. The role of China and India in RCEP would be major due to its population, GDP and persistent growing domestic demand.

RCEP is a form of mega-regional trade agreement which not only covers trade links but aim to improve regulatory compatibility and provides rules-based framework for pressing out differences in investment and business climates. There are other such mega regional agreements like Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP). Both of these mega-regional agreements would affect at least a quarter of world trade in goods and services. TPP is expected to contribute 26.3% and TTIP is 43.6%.

The role of India's trade and its participation in the regional agreements are also growing since 1991. India adopted various trade policies to augment its trade with the world like import substitution, export promotion, liberalizing domestic policies and very recently participation in regional trade agreements to support exporters and traders to have better market access. India perceives regional trading agreements as building block towards the augmentation of trade. Therefore, its participation in the number of RTAs which include

FTAs, PTAs, CECA's and CEPA's has become very important in the overall development of trade. These trade agreements have either entered bilaterally or in a regional grouping.

In view of above sincere engagements of India in regional trade agreements have become prime more importance for trade. In this regard, the scope of ASEAN-India growing regional arrangements cannot be overlooked and need more attention to understand the dynamism of these arrangements in terms of quantum of trade, share of trade and growth of ASEAN and India. The relations moved from mere 'Look East Policy' to 'Look Act Policy' or started with dialogue partner and a move towards engagement in mega-regional ties. This is reflected in the form of ASEAN-India free trade agreements (AIFTA) to RCEP with ASEAN+6 nations. This is an indication towards the rising importance of regional trade agreement than multilateralism not only in the world but in the Asia with its increasing volume and share to the world and continuous changing pattern of trade in the form of intra-industry trade is a true indicator of gains from regional groupings.

The present chapter studies:

- ASEAN as growing regional bloc since 1967, ASEAN each country trade profiles, India's participation in regional trading arrangements, ASEAN7 countries (Singapore, Thailand, Philippines, Indonesia, Malaysia, Cambodia and Vietnam except Brunei Darussalam, Laos and Myanmar – ASEAN3). The reasons for not considering Lao PDR, Brunei Darussalam and Myanmar are the unavailability of data from 2000. To understand the impact of AIFTA in promoting IIT, the pre and post agreement product level data has prime importance which was not available in the case of ASEAN3 countries.
- Out of all the other regional trading arrangements such as NAFTA and EU, ASEAN has considered for the study due to the fact of growing engagements of ASEAN not only with India but also with other Asian countries such as China, Japan, South Korea, Australia and New Zealand. Since 2000, the ASEAN has signed large number of free trade agreements with other Asian countries.
- ASEAN-India's trade relations in terms of Volume, Share, and Percentage change between pre and post AIFTA arrangement.
- The study explores trade relationship between ASEAN and India since 1990 to 2016. The study discusses the growth of ASEAN as a regional bloc, bilateral engagements of ASEAN – Singapore, Malaysia, Thailand, Indonesia, Vietnam, Cambodia, and Philippines participation with India in the form of regionalism, growing trade

relations of India with ASEAN, and future economic developments of India with ASEAN.

4.1 Why ASEAN as a regional bloc over other regional blocs

There are few reasons of choosing ASEAN over other regional blocs which are as follows:

- First, due to its formation which allows mixed income group countries to come together and collectively look towards economic and social cooperation. The combination of developed and developing countries in ASEAN make this bloc unique with respect to independence, sovereignty, equality, territorial integrity and national identity of all ASEAN Member States.
- Secondly, the growing engagements of ASEAN members with other Asian members especially the efforts towards making ASEAN as a mega regional bloc in the form of Regional Comprehensive Economic Partnership (RCEP) which includes ASEAN+6 – China, India, Japan, South Korea, Australia and New Zealand.
- Thirdly, the proximity of ASEAN countries with India makes this bloc a unique bloc for its trading partners in Asia. ASEAN has also come in the scope of India's 'Look East Policy' which in 2016 is known as 'Look Act Policy'.
- Lastly, the ASEAN also shares common culture, common ethos and political interests with India. This is also one of the main reasons for India to tie its first regional agreement with ASEAN.

On the other hand, The European Union (EU) is an economic and political union of 27 member states that are located primarily in Europe. The EU functions through a system of supranational independent institutions and intergovernmental negotiated decisions by the member states. The objectives of EU id to promote social cohesion and equal opportunities for all through adequate, accessible, financially sustainable, adaptable and efficient social protection systems and social inclusion policies. Though, India could not accept this objective to have efficient protection systems and social inclusion policies. And on the other hand, the proximity and development of India does not fit well with EU27.

North American Free Trade Agreement (NAFTA) in January 1994, the United States, Mexico and Canada entered into NAFTA, by creating the largest free trade area and richest market in the world. The NAFTA is the most comprehensive regional trade agreement ever negotiated by the United States. The objectives of NAFTA were mainly related to the territories of parties like eliminate barriers to trade in and simplify the cross-border movement of goods and services between the territories of the Parties.

The table 4.1 justifies another reason of selecting ASEAN7 over other trade blocs such EU27 and NAFTA. The ASEAN 7 comes under the regional reach for India with the growing total trade between ASEAN7 and India. ASEAN7 represents higher total trade than EU27 and NAFTA. On the hand, EU27 and NAFTA are not closer countries with India. Therefore, India's interest and preferred region is ASEAN7 for its growing economic and regional cooperation.

Table 4.1 – Total Trade of India with ASEAN7, EU27 and NAFTA (Value in 1000 \$ USD)

Years	ASEAN7	EU27	NAFTA
2000	687077188.5	25108432.5	15635736.1
2005	1072847230.4	52029919.9	30646859.4
2010	1668376068.7	94163437.6	53948350.0
2016	1887924502.2	88905412.7	75830742.5
Total Trade	5316224989.8	260207202.7	176061688.0

Source: Authors compilation through WITS UNCTAD database

Hence the comparison based on their formation, objective and total trade with India also represents the importance of considering ASEAN7 over other major blocs like EU and NAFTA.

The study considers ASEAN 7 members such as Indonesia, Thailand, Singapore, Malaysia, Philippines, Cambodia, and Vietnam. The reasons of taking all the mentioned countries are due to the growing engagements with India and its growing share of total trade with India. The countries such as Brunei Darussalam, Laos and Myanmar are left due to low share in India's total trade with respect to ASEAN countries and data unavailability of these countries.

4.2 ASEAN – as a Regional Bloc since 1967 to 2016

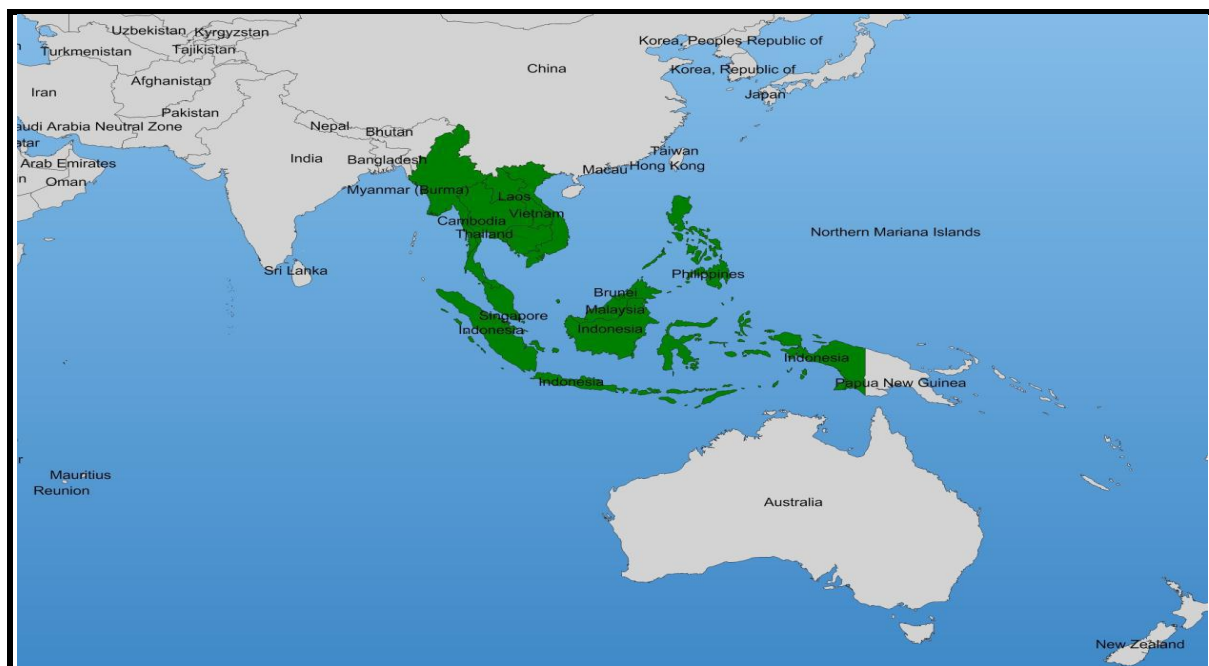
ASEAN is comprised of 10 Southeast Asian countries. Initially it was formed by five founding fathers namely Indonesia, Malaysia, the Philippines, Singapore and Thailand in 1967. Since then the membership expanded to Brunei, Cambodia, Laos, Myanmar and Vietnam (CLMV). Figure 4.1 depicts the map of ASEAN countries in Asia and Oceania. This map depicts the importance of ASEAN in terms of its location and neighbouring nations such as Japan, South Korea, China, India, Australia and New Zealand. It is also close to Pacific Rim which connects ASEAN with Latin American countries and North American countries. Recently, three months before the ASEAN Economic Community (AEC), four ASEAN countries (Brunei, Malaysia, Singapore and Vietnam) signed up to Trans Pacific Partnership (TPP). Five other countries of ASEAN (Cambodia, Indonesia, Laos, the Philippines and Thailand) are interested in joining TPP.

The origin of ASEAN started due to Vietnam War and ASEAN major area of concern was to ensure security and political concerns in the region. ASEAN had never thought of including Economic and Social cooperation but at the time of Bali Summit in 1976, ASEAN started economic cooperation through intra-ASEAN trade. Therefore APTA (ASEAN Preferential Trading Agreement) initiated in 1977 to provide tariff preferences for trade among ASEAN nations.

4.1.1 Objectives of ASEAN:

The major three objectives taken ASEAN together:

- To promote the economic, social and cultural development of the region through cooperative programmes.
- To safeguard the political and economic stability of the region against big power rivalry.
- To serve as a forum for the resolution of intra-regional differences.



Source: Trade Map

Figure 3: ASEAN countries in Asia-Oceania region

Since early 1990s, ASEAN has eventually pushed towards regionalism by accepting FTAs so as to capture international product market; therefore in 1993 ASEAN agreed negotiations on an AFTA (ASEAN Free Trade Agreement) in the region. To reach the highest degree of economic integration like similar to ‘European Union’ sole market in the world known for its complete freedom of internal trade, free mobility of capital and labour and harmonization of all laws, regulations and taxes; ASEAN also announced long term vision as “ASEAN Vision

2020”, which to turn into AEC (ASEAN Economic Community). The objective of AEC is to develop a single market and production base through free flow of goods, services, investment, skilled labour and free flow of capital. Eventually it would create great opportunities and reduce trade costs in the ASEAN region which would make ASEAN region more attractive investment destinations than other regional blocs. The table 4.2 depicts the ASEAN’s journey towards the formal establishment of the AEC from 1967 till 2025.

Table 4.2 ASEAN Milestones

Year	Events
1967	Birth of ASEAN
1977	Agreement on ASEAN preferential trading arrangements
1993	ASEAN free trade area (AFTA) came into force
1995	ASEAN framework Agreement on Services (AFAS) signed
1997	ASEAN vision 2020
2003	Bali concord II (ASEAN community)
2007	AEC blueprint and Cebu declaration
2008	ASEAN charter
2010	ASEAN trade in goods agreement (ATIGA) came into force
2012	ASEAN comprehensive Investment Agreement (ACIA) came into force
2015	Formal establishment of the AEC
2016-2025	AEC blueprint 2025

Source – ASEAN Economic Community 2015 – Progress and key achievements

Since 1967 to 2016, ASEAN had become fastest developing economic region in the world which is known for well regulated, dynamic and creative platform for trade and commerce.

4.3 ASEAN – Macro Indicators and Trade Profile

To understand better, it’s important to analyze the growth of ASEAN member nations and the non-members associated in preferential trade agreements or free trade agreements.

As per table 4.3 in selected basic indicators in 2016, these indicators provide detailed information about the ASEAN members’ growth in terms of population, GDP, GDP per capita, volume of exports and imports and FDI flows in ASEAN members. The combined population of ASEAN was close to 634 million, it has a larger population than EU and NAFTA but after China and India with a GDP of some US\$ 2.6 trillion. As per ASEAN secretariat (2016), ASEAN economy ranked as the 7th largest economy in the world and the 3rd largest in Asia in terms of nominal GDP. Its share in global trade had been vigorously increasing in recent years reaching close to 8% of world imports and 9% of exports in 2016. ASEAN total trade increased by US\$ 1 trillion between 2007 and 2016 more integrated market with intra-ASEAN trade comprising the largest share of ASEAN’s total trade by partner. ASEAN provided world class investment destination by attracting US\$98 million accounting for 11% in global FDI inflows, up from only 5% in 2007. ASEAN is a very varied

group of countries in terms of size, level of development, and production structures. With respect to foreign trade issues Singapore stands out as being one of the most open economies worldwide with virtually no import tariffs and no restrictions for market access.

The ASEAN member nations are becoming the international production network houses by providing these intermediate commodities not only to other non-member nations such as China, India, South Korea, and Japan who are geographically closer and to the world. As the Asian markets had become major source of intermediate goods, ASEAN members reaping benefits of set up of foreign companies (or FDI) especially Indonesia, Thailand, Malaysia and Vietnam are popular destinations for such products.

Table 4.3: ASEAN member states: Selected Basic Indicators 2016

Country	Total land area	Total population	Population density	Annual population growth	Gross domestic product at current prices	Gross domestic product per capita at current prices		International merchandise trade			Foreign direct investments inflow
						Exports	Imports	Total trade			
	km ²	thousand	persons per km ²	percent	US\$ Million	US\$	US\$ PPP	US\$ Million	US\$ Million	US\$ Million	US\$ Million
Brunei Darussalam	5,765	423.0	73	1.4	11,206	26,493	77,085	4,874	2,670	7,544	-150
Cambodia	181,035	15,158.2	84	1.2	19,194	1,266	3,848	10,073	12,371	22,444	2,280
Indonesia	1,913,579	258,705.0	135	1.3	931,216	3,600	11,701	145,186	135,653	280,839	3,521
Lao PDR	236,800	6,621.1	28	2.0	15,903	2,402	7,123	3,124	4,107	7,231	1,076
Malaysia	331,388	31,660.7	96	1.5	299,632	9,464	27,584	189,414	168,392	357,807	11,329
Myanmar	676,576	52,917.0	78	0.9	68,636	1,297	5,959	11,509	15,696	27,205	2,989
Philippines	300,000	103,242.9	344	1.7	311,453	3,017	7,987	56,313	85,935	142,248	7,933
Singapore	719	5,607.3	7,797	1.3	296,977	52,963	87,858	338,083	291,909	629,993	53,912
Thailand	513,120	67,454.7	131	0.3	407,048	6,034	17,273	215,327	194,668	409,994	2,553
Viet Nam	331,231	92,695.0	280	1.1	198,196	2,138	6,325	176,575	174,463	351,038	12,600
ASEAN	4,490,212	634,484.9	141	1.2	2,559,463	4,034	15,164	1,150,479	1,085,865	2,236,343	98,042

Sources ASEAN Macro-economic Database, ASEAN Merchandise Trade Statistics Database, ASEAN Foreign Direct Investment Statistics Database (compiled/computed from data submission, 2016)

The table 4.4 presents intra and extra ASEAN trade in 2015. The table shows the total trade of extra-ASEAN trade is greater than intra-ASEAN as 24% and 76%. The major contribution towards intra-ASEAN by countries is Singapore, Thailand, Malaysia, Indonesia and Vietnam.

The extra-ASEAN share also follows the same pattern of countries contribution but the share of Vietnam is larger than Indonesia. The percent share of total exports of intra-ASEAN is greater than its imports for countries like Singapore, Thailand, Malaysia, Lao PDR and Indonesia. Rest for other countries its share of extra-ASEAN imports are more than its exports.

Table 4.4: Intra- and extra-ASEAN trade, 2015 (Value in US\$ Million)

Country	Intra-ASEAN exports	% Share to total exports	Extra-ASEAN exports	% Share to total exports	Total exports	Intra-ASEAN imports	% Share to total imports	Extra-ASEAN imports	% Share to total imports	Total imports	Intra-ASEAN trade	% Share to total trade	Extra-ASEAN trade	% Share to total trade	Total trade
	Value		Value			Value		Value			Value		Value		
Brunei Darussalam	1,239	19.5	5,114	80.5	6,354	1,405	43.4	1,833	56.6	3,238	2,645	27.6	6,947	72.4	9,592
Cambodia	819	9.3	8,019	90.7	8,839	3,643	33.6	7,195	66.4	10,838	4,462	22.7	15,214	77.3	19,676
Indonesia	33,577	22.3	116,789	77.7	150,366	30,033	21.0	112,662	79.0	142,695	63,610	21.7	229,452	78.3	293,061
Lao PDR	2,646	71.2	1,068	28.8	3,714	1,710	56.1	1,339	43.9	3,049	4,357	64.4	2,407	35.6	6,763
Malaysia	56,169	28.2	142,989	71.8	199,158	46,679	26.5	129,332	73.5	176,011	102,848	27.4	272,321	72.6	375,169
Myanmar	4,444	36.4	7,754	63.6	12,197	7,023	41.5	9,884	58.5	16,907	11,467	39.4	17,637	60.6	29,104
Philippines	8,537	14.6	50,112	85.4	58,648	17,064	24.3	53,231	75.7	70,295	25,601	19.9	103,343	80.1	128,944
Singapore	118,271	32.3	248,073	67.7	366,344	63,779	21.5	232,986	78.5	296,765	182,051	27.5	481,059	72.5	663,109
Thailand	61,926	28.9	152,470	71.1	214,396	42,895	21.2	159,856	78.8	202,751	104,821	25.1	312,327	74.9	417,147
Viet Nam	18,064	11.1	143,950	88.9	162,014	23,827	14.4	141,902	85.6	165,730	41,891	12.8	285,853	87.2	327,744
ASEAN	305,693	25.9	876,338	74.1	1,182,031	238,059	21.9	850,220	78.1	1,088,279	543,751	24.0	1,726,559	76.0	2,270,310

Source: ASEAN Secretariat

The table 4.5 below represents the ASEAN trade by partner country or region in 2012. The table clearly reflects the growing share and value of exports and imports of ASEAN to within ASEAN member and other than ASEAN like China, EU 28, India, USA, Japan, South Korea, Taiwan, Hong Kong and Australia. China and Japan share of exports and imports to ASEAN is relatively higher than India's share of exports and imports of ASEAN.

Table 4.5: ASEAN Trade by Selected Partner Country/Region, 2015

ASEAN trade by selected partner country/region, 2015						
Partner country/region	Value (US \$ Million)		Total trade	% Share to total ASEAN trade		Total trade
	Exports	Imports		Exports	Imports	
ASEAN	305,693	238,059	543,751	25.9	21.9	24
Australia	32,959	18,784	51,743	2.8	1.7	2.3
Canada	6,927	4,787	11,714	0.6	0.4	0.5
China	134,249	211,515	345,764	11.4	19.4	15.2
EU 28	127,584	100,056	227,640	10.8	9.2	10
India	39,101	19,453	58,554	3.3	1.8	2.6
Japan	113,694	124,350	238,044	9.6	11.4	10.5
Republic of Korea	45,809	76,676	122,484	3.9	7	5.4
New Zealand	4,945	3,403	8,348	0.4	0.3	0.4
Pakistan	5,359	999	6,357	0.5	0.1	0.3
Russia	3,989	9,392	13,381	0.3	0.9	0.6
USA	129,171	83,172	212,343	10.9	7.6	9.4
Total selected partner countries/regions	949,479	890,645	1,840,124	80.3	81.8	81.1
Others2/	232,552	197,634	430,186	19.7	18.2	18.9
Total ASEAN	1,182,031	1,088,279	2,270,310	100	100	100

Source: ASEAN Secretariat

Note:

- Others: includes of all other countries and those that could not be attributed to specific countries.
- Dark in yellow represents the ASEAN plus 6 countries – China, Japan, India, South Korea, Australia and New Zealand as RCEP – mega regional agreement.

The table 4.6 presents the current ASEAN FTAs commitments with other Asian countries with its effective date and coverage to show the wide range of agreements covered under these agreements. The agreements also reflect upon the coverage of ASEAN not only to India but to other Asian countries. The table describes all the FTA commitments with its Asian countries in trade in goods, trade in services, investments and intellectual property and competition as well as economic cooperation. This table is in connection with earlier table 4.4

which showed the rising trade of ASEAN with other Asian nations. The vision of ASEAN reached beyond the scope of Trade in Goods or Services towards other comprehensive agreement for its wholeness. As ASEAN has covered major Asian countries in FTAs since 2005 and a move towards bigger engagement is also coming as RCEP negotiations at mega-regional level.

Table 4.6: ASEAN Free Trade Agreements with other Asian Countries

ASEAN Free Trade Agreements with other Asian countries			
S. No	ASEAN FTAs with Asian countries	Effective Date	Coverage
1	ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)	2010	The FTA is the most comprehensive agreement covering a wide range of issues including trade in goods and services, investment, intellectual property, competition as well as economic cooperation. Since its inception, the AANZFTA has encouraged trade in goods and services by removing barriers and reducing transaction costs for companies wanting to do business in member countries. According to the agreement, 99 percent of the Australia-New Zealand trade in goods with Indonesia, Malaysia, the Philippines, and Vietnam will be duty-free by 2020.
2	ASEAN-China Free Trade Area (ACFTA)	2005	The Agreement on Trade in Goods was signed in 2004 and implemented in July 2005 by all the member countries. Under the agreement, the six original ASEAN members and China decided to eliminate tariffs on 90 percent of their products by 2010, while Cambodia, Lao PDR, Myanmar, and Vietnam – commonly known as CLMV countries, had until 2015 to do so. Since the signing of the agreement, China has consistently maintained its position as ASEAN’s largest trading partner
3	ASEAN-India Free Trade Area (AIFTA)	2010	The agreement covers only trade in goods agreement. The agreement set tariff liberalization of over 90 percent of products traded between the two dynamic regions. Accordingly, the tariffs on over 4,000 product lines were agreed to be eliminated by 2016, at the earliest.
4	ASEAN-Republic of Korea Free Trade Area	2007	It sets out the preferential trade arrangement in goods among the ASEAN Member States and South Korea, allowing 90 percent of the products being traded between ASEAN and Korea to enjoy duty-free treatment. The Agreement provides for progressive reduction and elimination of tariffs by each country on almost all products.
5	ASEAN-Japan Comprehensive Economic Partnership (AJCEP) –	2008	The Agreement covers trade in goods, trade in services, investment, and economic cooperation. The FTA provides for the elimination of duties on 87 percent of all tariff lines and includes a dispute settlement mechanism.

Source: Authors compilation from various sources

4.4 Trade Profile of ASEAN with World and India

The Table 4.7 shows the ASEAN7 total trade with the world in three different years 2005, 2010 and 2016.

Cambodia and Vietnam shows increasing trade with the world over the years. As Cambodia and Vietnam are a

part of CLMV (Cambodia, Laos, Myanmar and Vietnam) countries. CLMV countries together are the third largest economy in ASEAN, followed by Indonesia and Thailand. These countries have a distinctive position in the regional value chains in Southeast Asia region. These four countries represents rapidly growing economy with rising consumption, strategic location and access, rich natural resources (oil, gas, copper, teak and gemstones), biodiversity and industrious workforce with low wages.

Table 4.7: ASEAN 7 Total Trade with the World (Value in 1000 \$ USD)

ASEAN7 Total Trade with the World					
S. No	Country Name	2005	2010	2016	% Change
1	Indonesia	143071283.2	293316731.4	280022284.9	196%
2	Cambodia	5570357.0	10492627.8	22440340.0	403%
3	Malaysia	254923117.7	363256544.0	357757353.2	140%
4	Philippines	90742105.5	109965318.3	142221320.1	157%
5	Singapore	431067943.7	662658300.7	612879857.4	142%
6	Thailand	226905818.0	375420688.2	406396352.9	179%
7	Vietnam	69208245.5	157075217.7	351559136.9	508%
Total		1221490876	1972187438	2173278661	178%

Source: Authors compilation by using WITS, UNCOMTRADE database

The table 4.8 represents ASEAN7 total trade with India. This table shows rising share of total trade of ASEAN7 with India over the years. The rising percentage change with all the ASEAN7 countries shows India's interest towards 'Look Act policy' and making India a part of this mega-regional agreement. The rising trade of Cambodia and Vietnam with India in all the ASEAN7 countries are significantly high. As these countries have more to gain from the ASEAN agreement and especially with AIFTA. Being undeveloped countries Cambodia and Vietnam has high demand and more potential to gain from trade with India and other Asian countries. The percentage change is between 2005 and 2016. The reason of taking 2005 is before the AIFTA agreement and 2010 – AIFTA came into being and 2016 represents post-agreement period. This is to assess the trade gains after signing an AIFTA agreement. Though, the full tariff liberalization of AIFTA agreement will have time till 2018/19 or 21. Therefore, the actual impact of AIFTA would be seen only when it is fully liberalized in between ASEAN and India.

Table 4.8: ASEAN 7 Total Trade with India (Value in 1000 \$ USD)

ASEAN7 Total Trade with the India					
S. No	Country Name	2005	2010	2016	% Change
1	Indonesia	3930507.0	13209801.1	12966541.1	624%
2	Cambodia	16974.7	60547.7	111847.0	11371%
3	Malaysia	5098644.5	8999907.7	11725915.9	557%
4	Philippines	456707.2	980189.7	1838362.2	777%
5	Singapore	10020488.9	22529333.6	15727501.8	310%
6	Thailand	2790372.1	6646311.8	7703222.4	540%
7	Vietnam	693742.1	2753664.8	5432727.8	3210%

Total Trade	23009441.3	55181766.4	55508134.3	479%
-------------	-------------------	-------------------	-------------------	-------------

Source: WITS, UNCOMTRADE database

The table 4.9 shows the rising share of ASEAN7 total trade with India vis-à-vis the World. Especially after signing AIFTA in 2010 the share has remained constant with most of the ASEAN7 countries except in the case of Malaysia the share increased to 3.3% in 2016 than 2.6% in 2010. The share has increased since 2005 to 2016 with all ASEAN7 countries. Since 2000, the ASEAN member's trade has not only improved with the Asian countries but also increased with the world.

Table 4.9: Share of ASEAN 7 Total Trade with India vis-à-vis the World

Share of ASEAN7 Total Trade with India vis-a-vis the World				
S. No	Country Name	2005	2010	2016
1	Indonesia	2.7%	4.5%	4.6%
2	Cambodia	0.3%	0.6%	0.5%
3	Malaysia	2.0%	2.5%	3.3%
4	Philippines	0.5%	0.9%	1.3%
5	Singapore	2.3%	3.4%	2.6%
6	Thailand	1.2%	1.8%	1.9%
7	Vietnam	1.0%	1.8%	1.5%

Source: WITS, UNCOMTRADE database

The table 4.10 represents ASEAN7 countries exports and imports with the world. The table shows exports and imports of ASEAN7 to the World. The table clearly reflects that ASEAN7 total exports are higher than its imports from the World. All the ASEAN7 countries exports to the world are higher than its imports. Cambodia and Vietnam again depicting higher percentage change over the years than other ASEAN7 countries. Out of all the ASEAN7 countries, Singapore share is the highest in exports and imports followed by Thailand, Malaysia, Vietnam, and Indonesia.

Table 4.10: ASEAN7 Countries Exports and Imports with the World (Value in 1000 \$ USD)

ASEAN7 Exports with the World						
S. No	Country Name	Trade Flow Name	2005	2010	2016	% change (2005-2016)
1	Indonesia	Exports	85659947.5	157779103.5	144489796.4	169%
2	Cambodia	Exports	3018613.0	5590104.1	10069331.6	334%
3	Malaysia	Exports	141624045.9	198790690.7	189414073.2	134%
4	Philippines	Exports	41254683.5	51497514.6	56312747.9	137%
5	Singapore	Exports	230343507.4	351867167.1	329871041.6	143%
6	Thailand	Exports	110110034.2	195307350.7	213593429.9	194%
7	Vietnam	Exports	32447129.2	72236665.0	176580786.6	544%
Total			644457960.7	1033068595.6	1120331207.2	174%
ASEAN7 Imports from the World						

S. No	Country Name	Trade Flow Name	2005	2010	2016	% change (2005-2016)
1	Indonesia	Imports	57411335.7	135537627.9	135532488.5	236%
2	Cambodia	Imports	2551744.0	4902523.7	12371008.4	485%
3	Malaysia	Imports	113299071.8	164465853.3	168343280.0	149%
4	Philippines	Imports	49487422.0	58467803.7	85908572.1	174%
5	Singapore	Imports	200724436.3	310791133.6	283008815.9	141%
6	Thailand	Imports	116795783.8	180113337.5	192802923.0	165%
7	Vietnam	Imports	36761116.3	84838552.7	174978350.3	476%
Total			577030909.9	939116832.4	1052945438.2	182%
Total Trade with ASEAN			1221488870.6	1972185427.9	2173276645.3	178%

Source: WITS (UNCOMTRADE data)

Note: 3 countries of ASEAN – Laos PDR, Brunei Darussalam and Myanmar are not considered due to low share in the overall trade to the world and to India.

The table 4.11 shows ASEAN7 exports and imports with India. Cambodia, Philippines and Vietnam imports are higher than its exports to India. Rest in all other ASEAN7 countries its exports to India is higher than its imports from India. In the case of exports of ASEAN7 to India, Cambodia and Vietnam shows rising percentage share in 2010 to 2016. Philippines and Singapore exports to India declined in 2010 to 2016. Though Philippines imports from India have increased in 2010 to 2016 but in the case of Singapore and Indonesia, its imports from India have declined in 2010 to 2016. Otherwise in all ASEAN7, India's exports have increased after signing the AIFTA agreement.

Table 4.11: ASEAN Exports and Imports with India (Value in 1000 \$ USD)

ASEAN7 Exports to India					
S. No	Country Name	2005	2010	2016	% Change
1	Indonesia	2878347.7	9915038.9	10093804.4	351%
2	Cambodia	208.2	8033.5	22566.7	10839%
3	Malaysia	3997780.0	6516310.7	7713560.9	193%
4	Philippines	86120.4	410280.3	315127.1	366%
5	Singapore	5923772.4	13301448.2	9833561.8	166%
6	Thailand	1518927.7	4393574.0	5117680.8	337%
7	Vietnam	97755.7	991629.6	2687193.2	2749%
Total		14502912.1	35536315.3	35783494.9	247%
ASEAN7 Imports from India					
S. No	Country Name	2005	2010	2016	% Change
1	Indonesia	1052159.3	3294762.2	2872736.7	273%
2	Cambodia	16766.5	52514.2	89280.3	532%
3	Malaysia	1100864.5	2483597.0	4012355.0	364%
4	Philippines	370586.7	569909.4	1523235.2	411%

5	Singapore	4096716.5	9227885.3	5893940.0	144%
6	Thailand	1271444.4	2252737.8	2585541.6	203%
7	Vietnam	595986.4	1762035.2	2745534.6	461%
Total		8504524.2	19643441.1	19722623.4	232%

Source: WITS, UNCOMTRADE database

The total exports and imports of ASEAN7 have increased over time with India. The table 4.12 shows the share of exports and imports of ASEAN7 with India from 2005 to 2016. The table clearly represents the rise in share of exports of ASEAN7 with India from 2005 to 2016. The share is significant with Indonesia, Cambodia, Malaysia, Thailand and Vietnam but the share of exports have declined for Philippines and Singapore with India after 2010. The Malaysia, Philippines and Thailand shows rise in share of imports.

Table 4.12: ASEAN7 Share of Exports and Imports with India

Share of ASEAN7 Exports and Imports with India							
S. No	Country Name	Exports Share			Imports Share		
		2005	2010	2016	2005	2010	2016
1	Indonesia	3.4%	6.3%	7.0%	1.8%	2.4%	2.1%
2	Cambodia	0.0%	0.1%	0.2%	0.7%	1.1%	0.7%
3	Malaysia	2.8%	3.3%	4.1%	1.0%	1.5%	2.4%
4	Philippines	0.2%	0.8%	0.6%	0.7%	1.0%	1.8%
5	Singapore	2.6%	3.8%	3.0%	2.0%	3.0%	2.1%
6	Thailand	1.4%	2.2%	2.4%	1.1%	1.3%	1.3%
7	Vietnam	0.3%	1.4%	1.5%	1.6%	2.1%	1.6%

Source: WITS, UNCOMTRADE database

The table 4.13 below represents the summary table of ASEAN exports and imports with India for 2005, 2010 and 2016. The table also analyzes the trade deficit of ASEAN with India to know the direction of trade. India has trade deficit with Indonesia, Malaysia, Singapore, and Thailand. And India has trade surplus with Philippines, Cambodia and Vietnam. This table is prepared based on earlier tables share and volume also.

Table 4.13: ASEAN Exports and Imports with India (Value in 1000 \$ USD)

S. No	Country Name	Trade Deficit of ASEAN with India			Summary
		2005	2010	2016	
1	Indonesia	1826188.4	6620276.8	7221067.6	Indonesia exports to India > its imports from India
2	Cambodia	-16558.3	-44480.7	-66713.7	Cambodia imports from India > its exports to India
3	Malaysia	2896915.5	4032713.7	3701205.9	Malaysia exports to India > its imports from India
4	Philippines	-284466.3	-159629.1	-1208108.1	Philippines imports from India > its exports to India
5	Singapore	1827055.9	4073562.9	3939621.8	Singapore exports to India > its imports from India

6	Thailand	247483.3	2140836.2	2532139.2	Thailand exports to India > its imports from India
7	Vietnam	-498230.7	-770405.6	-58341.4	Vietnam imports from India > its exports to India

Source: WITS, UNCOMTRADE database

The table 4.14 shows the ASEAN7 overall trade profile with the world. The structure of ASEAN7 members are into different development stages such as Singapore and Brunei Darussalam are being developed countries, Malaysia, Thailand, Indonesia are developing countries. Cambodia, Lao PDR, Myanmar and Vietnam are underdeveloped countries in ASEAN. Out of all ASEAN7, Singapore contributes maximum to the world trade followed by Thailand, Malaysia, Vietnam, Indonesia, Philippines and Cambodia in 2016.

Since 2000, Singapore share to the world trade has increased till 2005 but decreased after 2010 to 2016. The share of total trade to the world for Malaysia was second highest in 2000 but in 2016 it became third highest as Thailand has taken away the share and growing continuously since 2000 to 2016. There is a significant growth in the share of Vietnam from 2000 to 2016. Singapore, Malaysia, Thailand and Indonesia are having trade surplus with the world, whereas Vietnam, Philippines and Cambodia are having trade deficit with the world.

The share of Cambodia has increased over the years but not as significant as like Vietnam. Share in 2005 for all the countries of ASEAN7 was on increase except Indonesia but after 2010 and 2016, the trend is showing relatively lower share as compared to previous periods. This may be due to the impact of US recession and Greek crisis and effects on EU.

The ASEAN7 total trade with the world comes to 6.1 trillion. Every year ASEAN7 shows rising trend towards world trade. Each member counties contribute largely to the share of world trade.

Table 4.14: ASEAN7 Overall Trade Profile with the World (Value in 1000 \$ USD)

ASEAN 7	Trade flows	2000	2005	2010	2016	Total Ex and IM	Total Trade	Net Trade	Share in 2000	Share in 2005	Share in 2010	Share in 2016	
Indonesia	Export	62124006.94	85659947.5	157779103.5	144489796.4	450052854.3	811752648.8	88353059.85	12.1%	11.7%	14.9%	12.8%	
Indonesia	Import	33218342.39	57411335.7	135537627.9	135532488.5	361699794.5							
Cambodia	Export	1389454.739	3018613.01	5590104.093	10069331.58	20067503.42	41331554.28	-1196547.434	0.4%	0.5%	0.5%	1.0%	
Cambodia	Import	1438774.687	2551744	4902523.729	12371008.44	21264050.86							
Malaysia	Export	98229725.8	141624046	198790690.7	189414073.2	628058535.5	1155456258	100660812.7	22.9%	20.9%	18.4%	16.3%	
Malaysia	Import	81289517.74	113299072	164465853.3	168343280	527397722.8							
Philippines	Export	38078249.79	41254683.5	51497514.61	56312747.95	187143195.8	418014395.4	-43728003.78	9.6%	7.4%	5.6%	6.5%	
Philippines	Import	37007401.77	49487422	58467803.68	85908572.12	230871199.6							
Singapore	Export	137805720.3	230343507	351867167.1	338081970.5	1058098365	1996068098	120128632.4	34.7%	35.3%	33.6%	28.8%	
Singapore	Import	134545794.2	200724436	310791133.6	291908368.8	937969732.9							
Thailand	Export	68818989.57	110110034	195307350.7	213593429.9	587829804.3	1138724367	36935241.77	16.6%	18.6%	19.0%	18.6%	
Thailand	Import	61182518.32	116795784	180113337.5	192802923	550894562.5							
Vietnam	Export	14482743	32447129.2	72236665	176580786.6	295747323.8	607961871.1	-16467223.47	3.8%	5.7%	8.0%	16.1%	
Vietnam	Import	15636528	36761116.3	84838552.67	174978350.3	312214547.3							
Total Trade		785247767.2	1221488871	1972185428	2190387127	6169309193							
Grand Total		6169309193				6169309193							

Source: WITS, UNCOMTRADE database

The table 4.15 below represents the ASEAN7 overall trade profile with India. It shows that after 2010 share of Singapore has declined with India though the other ASEAN members have demonstrated rising share. Trade share with Vietnam, Thailand, Malaysia and Philippines are showing post agreement increasing trend. The share of Singapore – 28.6% is the highest share among ASEAN7 followed by Indonesia, Malaysia,

Thailand, Vietnam and Cambodia. Singapore, Malaysia, Thailand and Indonesia are having trade surplus with India, whereas Vietnam, Philippines and Cambodia are having trade deficit in all the years.

Table 4.15: ASEAN7 Overall Trade Profile with India (Value in 1000 \$ USD)

ASEAN7 overall Trade Profile with the India												
ASEAN 7	Trade flows	2000	2005	2010	2016	Total Ex and IM	Total Trade	Net Trade	Share in 2000	Share in 2005	Share in 2010	Share in 2016
Indonesia	Export	1151282.3	2878347.7	9915038.9	10093804.4	24038473.3	31782958.8	16293987.8	17.2%	17.1%	23.9%	23.3%
Indonesia	Import	524827.4	1052159.3	3294762.2	2872736.7	7744485.5						
Cambodia	Export	150.8	208.2	8033.5	22566.7	30959.1	198945.1	-137026.8	0.1%	0.1%	0.1%	0.2%
Cambodia	Import	9425.0	16766.5	52514.2	89280.3	167986.0						
Malaysia	Export	1924118.1	3997780.0	6516310.7	7713560.9	20151769.7	28471671.7	11831867.7	27.1%	22.2%	16.3%	21.0%
Malaysia	Import	723085.5	1100864.5	2483597.0	4012355.0	8319902.0						
Philippines	Export	63998.6	86120.4	410280.3	315127.1	875526.4	3519940.1	-1768887.3	2.5%	2.0%	1.8%	3.3%
Philippines	Import	180682.4	370586.7	569909.4	1523235.2	2644413.7						
Singapore	Export	2783448.0	5923772.4	13301448.3	10036103.3	32044772.0	52345529.7	11744014.2	39.5%	43.6%	40.8%	28.6%
Singapore	Import	1076386.0	4096716.5	9227885.3	5899769.9	20300757.8						
Thailand	Export	491869.0	1518927.7	4393574.0	5117680.8	11522051.5	18249456.9	4794646.2	11.4%	12.1%	12.0%	13.8%
Thailand	Import	617681.6	1271444.4	2252737.8	2585541.6	6727405.4						
Vietnam	Export	47226.0	97755.7	991629.6	2687193.2	3823804.5	9105715.7	-1458106.7	2.3%	3.0%	5.0%	9.8%
Vietnam	Import	178355.0	595986.4	1762035.2	2745534.6	5281911.2						
Total Trade		9772535.6	23007436.3	55179756.4	55714489.7	143674218.0	143674218.0					
Grand Total		143674218										

Source: Authors calculation by using WITS, UNCOMTRADE database

The table 4.16 represents share of exports and imports of ASEAN7 with India in 2000, 2005, 2010 and 2016. From 2000 to 2016, ASEAN trade with India has increased manifold. In both the case of ASEAN and India trade has increased with each other. This table is a reflection of an importance of ASEAN and its relation with India over the years. The share of Singapore and Indonesia is showing decreasing trend after 2010 though the higher share has been registered with all other countries especially with Cambodia and Vietnam.

Table 4.16: Share of Exports and Imports of ASEAN7 with India in 2000, 2005, 2010 and 2016

ASEAN 7	Trade flows	Share of EX and IM in 2000	Share of EX and IM in 2005	Share of EX and IM in 2010	Share of EX and IM in 2016
Indonesia	Export	5%	12%	41%	42%
Indonesia	Import	7%	14%	43%	37%
Cambodia	Export	0%	1%	26%	73%
Cambodia	Import	6%	10%	31%	53%
Malaysia	Export	10%	20%	32%	38%
Malaysia	Import	9%	13%	30%	48%
Philippines	Export	7%	10%	47%	36%
Philippines	Import	7%	14%	22%	58%
Singapore	Export	9%	18%	42%	31%
Singapore	Import	5%	20%	45%	29%
Thailand	Export	4%	13%	38%	44%
Thailand	Import	9%	19%	33%	38%
Vietnam	Export	1%	3%	26%	70%
Vietnam	Import	3%	11%	33%	52%

Source: Authors calculation by using WITS, UNCOMTRADE database

4.5 India - Emerging activities in relation to Regionalism

India's contribution to world trade has also increased from 0.8% in 2003 to 1.96 % in 2015 reported by World Trade Organization. The reason of growth in India's contribution is due to when India in 1991 moved from inward-looking strategy towards the market oriented and outward-looking strategy. The growth in trade is due to many factors which strengthen India's trade and its trade policies in front of many other developed and developing countries. The recent share of India in total trade is due to increasing engagements with Asian countries in the form of reviving India's Look Act Policy.

India witnessed rapid economic growth in the past decade, and it has now become one of the fastest emerging economies in Asia and the world. One of the reasons for this growth is due to the macroeconomic stability and policy credibility that the government provided in 1991 in respect to 'Economic Reforms'. With liberalization since 1991 in particular, the importance of international trade in India's economy has grown considerably. Before 1991, India's pattern of trade more or less dependent on inward-looking strategy, where more importance had been given to imports and import substitution, but after 1991 export promotion been given due importance,

and government also started many methods to promote the exports, which has been reflected in the Foreign Trade Policy of 2004-09, 2009-14 and 2015 – 2020.

4.1.2 Stage of augmentation with the emergence of structural imbalances

Prior to 1991, India’s trade policy was very restricted and focused was more on self - reliance and industrialization. But at the time of 1991, when India started comparing with the other Asian countries, then the need of RTAs come as a solution for market led and export led growth. Therefore India started looking at “Look East Policy” to integrate the East Asian countries with India. India’s first step with new preferential trade arrangements was a bilateral free trade agreement signed with Sri-Lanka in 1998. After the successful experience, South Asian countries have signed the agreement on South Asian Free Trade Area (SAFTA) in the year of 2004. India got one more success in 2004, when India signed the agreement for Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) FTA, with Bangladesh, India, Myanmar, Sri-Lanka, Thailand and now Bhutan and Nepal are also the part of it. SAFTA and BIMSTEC had created great market access opportunities for other South-Asian countries by giving duty free access to much larger market of India.

It was with this objective, India adopted the “Look East Policy” of 1991, and this has increased the engagement with ASEAN and other East Asian countries. India became a sectoral dialogue partner in the year 1992. In the year 1995 ASEAN developed as a full dialogue partner of India and member of the ASEAN Regional Forum (ARF) in the year 1996. It had reflected the mutual capabilities and resources which could facilitate secure future for India-ASEAN. AIFTA has also been operational in the year of 2010 in the form of Trade in Goods agreement (TIGA) which is undoubtedly biggest Preferential Trading Agreement (PTA). And now Trade in services and investment also been signed in 2013, which definitely reflects the success of TIGA. If any country is moving towards deeper level of economic engagements, it is truly a reflection of current regional arrangements. The table 4.17 below mentioned all the milestones in ASEAN-India relations.

Table 4.17: Timeline of Milestones in ASEAN-India Relations

Year	Event/Agreement
1992	Sectoral Dialogue Partnership of ASEAN
1995	Full Dialogue Partnership of ASEAN
1996	Membership in ASEAN Regional Forum
1997	Establishment of BIMSTEC

2000	Mekong Ganga Cooperation Initiative begins
2002	First India-ASEAN Summit and India-ASEAN Business Summit
2003	Framework Agreement on Comprehensive Economic Cooperation
2003	India signs Treaty of Amity and Cooperation
2003	ASEAN India Joint Declaration for Cooperation to Combat International Terrorism
2004	ASEAN-India Partnership for Peace, Progress and Shared Prosperity
2005	India becomes member of East Asian Summit
2009	Signing of the ASEAN-India Free Trade Agreement (AIFTA) in goods
2013	Signing of the ASEAN-India Free Trade Agreement (AIFTA) in services

Source: Department of commerce, India

4.1.3 Stage of resilience in addition to strength

India's key strategies had adopted include simplification of procedures, reduction in transaction cost and facilitating development of India as a global hub for manufacturing, trading and services. Special focus areas also included accelerating the employment and growth within India includes rural sectors such as agriculture, handlooms, handicraft, gems and jewellery, leather, and footwear. In addition, export promotion schemes introduced especially to accelerate the growth of agriculture and service exports were also announced in the Foreign Trade Policy (FTP) of 2004-09 and in subsequent FTPs government has announced various incentives and promotional schemes for exporters and importers.

FTP 2009-14 focuses on diversification of trade towards new emerging markets in Asia and offered market access initiative schemes which could accelerate the growth of exports. As a part of policy for market expansion, India signed a Comprehensive Economic Partnership Agreement (CEPA) with South Korea which will give enhanced market access to Indian exports. Government also signed a Trade in Goods Agreement with ASEAN which had come in force in January 01, 2010, and give enhanced market access to several items of Indian exports. Focus market access and focus product scheme are one of the efficient method which are increasing exports from India towards South East Asia as per the report of FTP 2009-14.

The ASEAN-India framework agreement seeks to reinforce and improve economic cooperation through the progressive elimination of tariffs and non-tariff barriers in substantially all trade in goods, the progressive liberalization of trade in services with considerable sectoral coverage and the establishment of a liberal and competitive investment regime that facilitates and promotes investment within the ASEAN-India Free Trade Area.

4.6 ASEAN and India: Trade Relations

India's complementarities with East Asia in the service sector and also the rising trends of India's competitive advantage as an outsourcing hub in the region, ASEAN classified this approach as a most efficient move towards in the formation of RTAs in Asia that is inclusive of India. The ASEAN+4 (China, India, Japan and Korea) involved two of the most emerging economies in the world that is India and China which also referred as "Arc of Advantage". According to the World Bank 2005 report, indicated that the ASEAN+4 has contributed 19% share in total world trade which is approximately as much as that of NAFTA who contributed 21% of the global output and EU recorded 39% share of world trade in 2014. These percentages indicates that, how fast ASEAN+4 economies are growing in the world and increasing their share day by day.

Three of the ASEAN+4 countries- China, Japan and Singapore are among the top ten trading partners for India in the year 2003. According to the data released by The Department of Industrial Policy and Promotion (DIPP), Singapore continues to be a single largest investor in India amongst the ASEAN countries and second largest amongst all countries with FDI inflow in India with US\$ 2.4 billion in 2009-10 increased to 53.9 US \$ billion in 2016.

India's exports to ASEAN increased from U.S. \$ 10.41 billion in 2005-06 to U.S. \$ 25.20 billion in 2015-16 and imports over the same period quadrupled from U.S. \$ 10.81 billion in 2005-06 to U.S. \$ 39.84 billion in 2015-16. This reflects a compound annual growth rate (CAGR) of about 9.2 per cent in exports to the ASEAN region and close to 14 per cent per annum growth in imports during 2005-06 to 2015-16. Alongside, India's trade deficit with the ASEAN surged from US\$0.5 billion in 2005-06 to US\$14.6 billion in 2015-16. In terms of market share, share of imports in India's total imports from ASEAN went up from 7.3 % in 2005-06 to 10.5 % in 2015-16, over the same period share of exports to ASEAN in India's total exports fell from 10.1 % to 9.6%.

The net trade deficit of U.S. \$ 14.6 billion with the ASEAN in 2015-16 is the outcome of trade deficit of U.S. \$ 10.2 billion with Indonesia, U.S. \$ 5.4 billion with Malaysia and U.S. \$ 2.5 billion with Thailand. India's combined trade deficit with ASEAN in 2015-16 would have been much higher but for the fact that India ran a trade surplus of U.S. \$ 2.7 billion with Vietnam, U.S. \$ 826 million with Philippines and U.S. \$ 416 million with Singapore

The Narendra Modi-led government which came into power in 2014 had given high priority to India's Look East Policy and changed this policy to India's Act Policy'. During his opening statement at the 12th ASEAN summit, he emphasized on the importance of the 10-nation ASEAN bloc in a new era of economic development, trade, investments and industrialization. He made known to the world that India is not merely 'Looking East' but is now 'Acting East' as well, thus, revising the title to 'India's Act-East Policy'. This stage was also categorized by an expanded definition of 'East' extending from Australia to China. There had been a consensus in India cutting across the political spectrum in support of the revision of the 'Look East Policy'. This keenness and strength in momentum of various actors in the economy had marked another shift in this foreign policy, of 'Thinking East' too. Table 4.18 below represents list of growing India's bilateral and regional agreements with its coverage.

Table 4.18: List of India's Bilateral and Regional Agreements

S. No.	Name of the agreement and participating countries	Effective date	Coverage
Current FTAs/CECA/CEPA or Comprehensive Negotiations			
1	India - Bhutan Agreement on Trade, Commerce and Transit	29.07.2006	Under this Agreement, India also provides transit facilities to landlocked Bhutan to facilitate its trade with third countries. It is valid for a period of 10 years.
2	Revised Indo-Nepal Treaty of Trade	27.10.2009	The Treaty aims at improving bilateral trade between the two countries by increasing the mutually agreed points of trade, expansion in the list of items included for preferential trade, simplification of trade procedures, improving Nepalese supply capacities, provision of two level institutional mechanisms for problem resolution etc.
3	India- Sri Lanka FTA (ISLFTA)	01.03.2000	Free Trade Agreement (FTA) between India and Sri Lanka was signed on 20.12.1998 and was operationalised in March, 2000 following notification of required Customs tariff concessions by Government of Sri Lanka and India.
4	Agreement on South Asian Free Trade Area (SAFTA) (India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan Maldives and Afghanistan)	01.01.2006	Afghanistan became Eighth Member of SAARC from April, 2007 and the provisions of Trade Liberalization Programme (TLP) are applicable to Afghanistan w.e.f. 07.08.2011).
5	India - Thailand FTA - Early Harvest Scheme (EHS)	01.09.2004	India and Thailand have signed protocol to implement Early Harvest Scheme under India- Thailand Free Trade Agreement on 01.09.2004. Tariff preferences for imports on items of Early Harvest Scheme would be available only to those products, which satisfy Rules of Origin Criteria, notified by Department of Revenue, Ministry of Finance, vide notification No.101/2004-Custo
6	India - Singapore Comprehensive Economic Cooperation Agreement (CECA)	01.08.2005	India-Singapore CECA was the first comprehensive FTA India signed with any country.

7	India - South Korea Comprehensive Economic Partnership Agreement (CEPA)	01.01.2010	
8	India – ASEAN Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)	2010	1st January 2010 in respect of India and Malaysia, Singapore, Thailand. 1 st June 2010 in respect of India and Vietnam. 1 st September 2010 in respect of India and Myanmar. 1 st October 2010 in respect of India and Indonesia. 1 st November in respect of India and Brunei. 24 January 2011 in respect of India and Laos. 1 st June 2011 in respect of India and the Philippines. 1 st August, 2011 in respect of India and Cambodia.
9	India - Japan Comprehensive Economic Partnership Agreement	01.08.2011	
10	India - Malaysia Comprehensive Economic Cooperation Agreement	01.07. 2011	Under the CECA, India and Malaysia have offered commitments over and above the commitments offered by them under ASEAN - India Trade in Goods Agreement. Key items on which Malaysia has offered market access to India are basmati rice, mangoes, eggs, trucks, motorcycles and cotton garments which are all items of considerable export interest to India.
Current Preferential Trade Agreements			
1	Asia Pacific Trade Agreement (APTA) (Bangladesh, China, India, Lao PDR, Republic of Korea, and Sri Lanka)	01.11.1976	APTA is a preferential trading arrangement designed to liberalise and expand trade in goods progressively in Economic and Social Commission for Asia and Pacific (ESCAP) region through liberalization of tariff and nontariff barriers. At present, Bangladesh, Sri Lanka, South Korea, India and China are exchanging tariff concessions under APTA. The 43rd Standing Session in May, 2014 saw the accession of Mongolia into APTA.
2	Global System of Trade Preferences (G S T P) (Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran, Iraq, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, Venezuela, Viet Nam, Yugoslavia, Zimbabwe)	April, 1989	Under agreement establishing GSTP, tariff concessions are exchanged among developing countries, who have signed agreement. Presently, 46 countries are members of GSTP and India has exchanged tariff concessions with 12 countries on a limited number of products. EIC is sole agency authorised to issue CoO under GSTP. The Sao Paulo Round of the GSTP was concluded among 8 countries but only Cuba, India and Malaysia have ratified the Protocol as of October, 2014.
3	India - Afghanistan	May, 2003	A Preferential Trade Agreement between Transitional Islamic State of Afghanistan and Republic of India was signed on 6.3.2003 and was operationalized with issuance of Customs Notification No 76/2003 dated 13.5.2003. EIC is sole agency to

			issue certificate of origin under India Afghanistan Preferential Trade Agreement.
4	India - MERCOSUR	01.06.2009	Through this PTA, India and MERCOSUR have agreed to give tariff concessions, ranging from 10% to 100% to each other on 450 and 452 tariff lines respectively.
5	India - Chile	August, 2007	Under this PTA , India has offered tariff preferences on 202 tariff lines (as per 2007 HS) at the 8 digit level to Chile with the margin of preference (MoP) ranging from 10%- 50% and Chile has offered tariff preferences on 296 tariff lines to India at the 8 digit level with MoP ranging from 10%- 100%.
6	SAARC Preferential Trading Arrangement or SAPTA (India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan and the Maldives)	1995	SAPTA was signed by seven SAARC members namely India, Pakistan, Nepal, Bhutan, Bangladesh, Sri Lanka and Maldives in 1993 and came into operation in 1995. Four rounds of trade negotiations have been completed and more than 3000 tariff lines are under tariff concessions among SAARC countries.

Source: Author's compilation from Department of Commerce, Government of India ASEAN-INDIA Free Trade Agreement – AIFTA

The table 4.19 depicts Tariff liberalization schedule of commitment in AIFTA between ASEAN and India. The table shows the progressive and phase wise reduction and removal of tariff barriers. The last period for tariff reduction or removal under the various tariff categories like normal tracks 1 & normal track 2, sensitive track and highly sensitive track (HST)/special products would be 2019 for ASEAN non Least developed countries (LDCs) barring Philippines; 2022 for Philippines; and 2024 for all LDCs like Cambodia, Lao PDR, Myanmar and Vietnam.

Table 4.19: Tariff Liberalization Schedule of Commitment in AIFTA Agreement between ASEAN-India

Tariff Liberalization in AIFTA Agreement between ASEAN-India signed in 2010	
Normal Track	Applied MFN tariff rates for tariff lines placed in the Normal Track will be reduced and subsequently eliminated in accordance with the following tariff reduction and elimination schedule
Normal Track 1	
1 January 2010 to 31 December 2013	Brunei Darussalam, Indonesia, Malaysia, Singapore and Thailand, and India
1 January 2010 to 31 December 2018	the Philippines and India
1 January 2010 to 31 December 2013	For India towards Cambodia, Lao PDR, Myanmar and Viet Nam
1 January 2010 to 31 December 2018	Cambodia, Lao PDR, Myanmar and Viet Nam For India
Normal Track 2	
1 January 2010 to 31 December 2016	Brunei Darussalam, Indonesia, Malaysia, Singapore and Thailand, and India

1 January 2010 to 31 December 2019	the Philippines and India
1 January 2010 to 31 December 2016	For India towards Cambodia, Lao PDR, Myanmar and Viet Nam
1 January 2010 to 31 December 2021	Cambodia, Lao PDR, Myanmar and Viet Nam For India
Sensitive Track	
Where ever applied MFN tariff rates were above 5% are asked to reduce to 5% as per the below schedule	
1 January 2010 to 31 December 2016	Brunei Darussalam, Indonesia, Malaysia, Singapore and Thailand, and India
1 January 2010 to 31 December 2019	the Philippines and India
1 January 2010 to 31 December 2016	For India towards Cambodia, Lao PDR, Myanmar and Viet Nam
1 January 2010 to 31 December 2021	Cambodia, Lao PDR, Myanmar and Viet Nam For India
Sensitive Track	Applied MFN tariff rates of five (5) per cent can be maintained for up to 50 tariff lines. For the remaining tariff lines, applied MFN tariff rates are reduced to 4.5 per cent upon entry into force of the Agreement for ASEAN 6 and five (5) years from entry into force of the Agreement for Cambodia, Lao PDR, Myanmar and Viet Nam. The AIFTA preferential tariff rate for these tariff lines are further reduced to four (4) per cent in accordance with the end-date set in.
Sensitive Track	Applied MFN tariff rates on four (4) per cent of the tariff lines placed in the Sensitive Track, as will be identified by each Party on its own accord and exchanged with other Parties, will be eliminated by
31 December 2019	Brunei Darussalam, Indonesia, Malaysia, Singapore and Thailand, and India
1 January 2010 to 31 December 2022	the Philippines and India
1 January 2010 to 31 December 2024	For Cambodia, Lao PDR, Myanmar and Viet Nam
Special Products	
Special Products refer to India's crude and refined palm oil (CPO and RPO, respectively), coffee, black tea and pepper. (Please visit http://commerce.gov.in/trade/ASEAN-India%20Trade%20in%20Goods%20Agreement.pdf for complete commitment)	
Highly sensitive List	
Category 1	reduction of applied MFN tariff rates to 50 per cent;
Category 2	reduction of applied MFN tariff rates by 50 per cent; and
Category 3	reduction of applied MFN tariff rates by 25 per cent,
Tariff reduction shall be achieved by 31 December 2019 for Indonesia, Malaysia and Thailand, 31 December 2022 for the Philippines, and 31 December 2024 for Cambodia and Vietnam.	
Exclusion list	Exclusion Lists shall be subject to an annual tariff review with a view to improving market access.

Source: Compiled by author by referring signed schedule of commitment between ASEAN and India

The Agreement would eliminate tariffs on 80% of the tariff lines accounting for 75% of the trade in a steady manner starting from 1st January, 2010. Considering domestic sensitivities, India had excluded 489 tariff lines(HS6 Digit level) from the list of tariff concessions and 590 tariff lines from the list of tariff elimination to address sensitivities in agriculture, textiles, auto, chemicals, petrochemicals, crude and refined palm oil, coffee, tea, pepper etc. ASEAN countries had also maintained country wise exclusion list from the planned tariff concessions or eliminations.

India's schedule of Tariff commitments consisted of 40 items positioned under Special Products. This referred as India's Highly Sensitive List. These items belong to 5 products namely Crude Palm Oil (CPO), Refined Palm Oil (RPO), coffee, pepper and tea. Exclusion List or Negative List was a list of all items on which no tariff concessions/ any other form of barrier reduction had been offered by individual Parties. The India-ASEAN Trade in goods agreement used the term Exclusion List (EL) which in common parlance was referred as Negative List.

4.7 Pattern of Trade between ASEAN and India

The shifting pattern of trade of ASEAN and India analyzed from 2010 to 2016 in the chapter of data analysis and interpretation (Chapter 5). The tables below represent the 10 major export and import commodities between ASEAN7 and India. The study used these tables to represent trade pattern to analyze the diversification of trade and changes in trade pre and post AIFTA agreement.

4.1.4 Composition of Trade between ASEAN7 and India – Country-wise analysis of exports and imports in Pre-Agreement (2010) and Post-Agreement phase (2016) at HS 2 digit

The tables shown below represent ASEAN7 country-wise analysis of exports and imports in pre and post agreement phase. This represents the changes in the composition of trade of Singapore, Thailand, Indonesia, Malaysia, Philippines, Vietnam and Cambodia.

The table 4.20 and 4.21 below shows Indonesia exports and imports with India in pre and post agreement. The table clearly represents the change in the composition of trade. Indonesia top 10 exports in 2010 were mainly related to chapter 15, 27, 26, 40, 29, 84, 85, 47, 38, and 55. In 2016 top 10 exports basket represent the change in chapters like 15, 27, 26, 40, 38, 48, 29, 74, 72, and 84.

The new comers in top 10 chapters in exports with India in 2016 were 48 and 72 whereas chapter 47 and 85 lost their share from top 10 exports in 2016.

Top 4 chapters maintained their position in the list though their share has been changed in six years, chapter 15 and chapter 26 share in exports decreased from 46% to 25% and from 10% to 5% respectively, chapter 27 share was increased by 9% whereas chapter 40 share remained same. Total trade of Indonesia's export witnessed increase in absolute numbers from 9.9 billion \$USD in 2010 to 10 billion \$USD in 2016.

Table 4.20: Indonesia Exports to India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Indonesia Exports to India in 2010 at HS 2 digit				Indonesia Exports to India in 2016 at HS 2 digit			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
15	4567411.8	46%	Animal/veg fats & oils & their clea	15	3492564.7	35%	Animal/veg fats & oils & their clea
27	2483985.7	25%	Mineral fuels, oils & product of th	27	3474417.7	34%	Mineral fuels, oils & product of th
26	976988.5	10%	Ores, slag and ash.	26	532386.7	5%	Ores, slag and ash.
40	312297.8	3%	Rubber and articles thereof.	40	326129.5	3%	Rubber and articles thereof.
29	168814.7	2%	Organic chemicals.	38	225130.0	2%	Miscellaneous chemical products.
85	164259.7	2%	Electrical mchy equip parts thereof	48	168487.8	2%	Paper & paperboard; art of paper pu
84	146061.3	1%	Nuclear reactors, boilers, mchy & m	72	166911.3	2%	Iron and steel.
47	145211.9	1%	Pulp of wood/of other fibrous cellu	29	133022.7	1%	Organic chemicals.
38	129647.5	1%	Miscellaneous chemical products.	84	132022.8	1%	Nuclear reactors, boilers, mchy & m
55	73369.3	1%	Man-made staple fibres.	74	121927.3	1%	Copper and articles thereof.
Total Trade	9914534.7			Total Trade	10093541.0		

Source: Authors compilation through WITS- UNCOMTRADE database

The table 4.21 clearly represents the change in the composition of trade. Indonesia top 10 imports in 2010 were mainly related to chapter 27, 85, 29, 87, 12, 84, 72, 52, 23 and 39. In 2016 top 10 imports basket represent the change in chapters like 29, 84, 87, 72, 12, 2, 85, 52, 32 and 39.

Table 4.21 shows that chapter 27 and 23 lost their share from top 10 imports with Indonesia in 2016 whereas, chapter 2 and 32 made their position in 2016.

Unlike exports, share of top chapters in imports from 2010 to 2016 changed drastically like chapter 85 share decreased by 10%, chapter 87, 84 and 72 shares increased by 1%, 7% and 2% respectively. Share of chapter 52 and 39 experienced no change.

Total trade in Indonesia's import witnessed decrease in absolute numbers from 3.2 billion \$USD in 2010 to 2.8 billion \$USD in 2016.

Moving onto two-way trade, in 2010, chapter 27, 29, 84, and 85 were both exported and imported which total accounts for 30% in exports and 42% in imports whereas in 2016 chapters 29, 84 and 72 were traded which total accounts for 4% exports and 33% in imports.

Table 4.21: Indonesia Imports from India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Indonesia Imports from India in 2010 at HS 2 digit				Indonesia Imports from India in 2016 at HS 2 digit			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
27	606185.0	18%	Mineral fuels, oils & product of th	29	401120.7	14%	Organic chemicals.
85	465235.3	14%	Electrical mchy equip parts thereof	84	337768.4	12%	Nuclear reactors, boilers, mchy & m
29	435963.2	13%	Organic chemicals.	87	233672.1	8%	Vehicles o/t railw/tramw roll-stock
87	234748.3	7%	Vehicles o/t railw/tramw roll-stock	72	203839.7	7%	Iron and steel.
12	184023.4	6%	Oil seed, oleagi fruits; miscell gr	12	182824.3	6%	Oil seed, oleagi fruits; miscell gr
84	173606.2	5%	Nuclear reactors, boilers, mchy & m	2	141463.1	5%	Meat and edible meat offal
72	152857.2	5%	Iron and steel.	85	128070.9	4%	Electrical mchy equip parts thereof
52	137402.2	4%	Cotton.	52	120409.3	4%	Cotton.
23	130209.9	4%	Residues & waste from the food indu	32	109648.7	4%	Tanning/dyeing extract; tannins &
39	64901.3	2%	Plastics and articles thereof.	39	96772.4	3%	Plastics and articles thereof.
Total Trade	3293209.1			Total Trade	2872736.7		

Source: Authors compilation through WITS- UNCOMTRADE database

The table 4.22 and 4.23 below shows Malaysia exports and imports with India in pre and post agreement. The table clearly represents the change in the composition of trade. Malaysia top 10 exports in 2010 were mainly related to chapter 27, 15, 85, 84, 44, 29, 38, 74 and 72. In 2016 top 10 exports basket represent the change in chapters like 15, 27, 85, 84, 74, 44, 29, 76, 39 and 38. Share of chapter 27 decreased from 25% in 2010 to 18% in 2016, which was replaced by increase in share of chapter 15 from 13% in 2010 to 23% in 2016. Other chapters like 84, 44, 29, 38, 39 decreased by 5%, 3%, 3%, 1% and 1% respectively.

Chapter 72 lost its position in top 10 in 2016 whereas chapter 76 made it to top 10 exports.

Total trade of Malaysia's export witnessed increase in absolute numbers from 6.4 billion \$USD in 2010 to 7.7 billion \$USD in 2016.

Table 4.22: Malaysia Exports to India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Malaysia Exports to India in 2010 at HS 2 digit				Malaysia Exports to India in 2016 at HS 2 digit			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
27	1628952.3	25%	Mineral fuels, oils & product of th	15	1781613.7	23%	Animal/veg fats & oils & their clea
15	872056.5	13%	Animal/veg fats & oils & their clea	27	1392627.9	18%	Mineral fuels, oils & product of th
85	863461.7	13%	Electrical mchy equip parts thereof	85	1154260.9	15%	Electrical mchy equip parts thereof
84	820938.2	13%	Nuclear reactors, boilers, mchy & m	84	573453.5	7%	Nuclear reactors, boilers, mchy & m
44	429326.8	7%	Wood and articles of wood; wood ch	74	353111.9	5%	Copper and articles thereof.
29	399765.3	6%	Organic chemicals.	44	331212.8	4%	Wood and articles of wood; wood ch
38	174968.9	3%	Miscellaneous chemical products.	29	266305.0	3%	Organic chemicals.
39	163284.1	3%	Plastics and articles thereof.	76	254715.4	3%	Aluminium and articles thereof.
74	137212.8	2%	Copper and articles thereof.	39	177764.6	2%	Plastics and articles thereof.
72	135953.5	2%	Iron and steel.	38	148278.8	2%	Miscellaneous chemical products.
Total Trade	6494377.4			Total Trade	7705122.6		

Source: Authors compilation through WITS- UNCOMTRADE database

The table 4.23 clearly represents the change in the composition of trade. Malaysia top 10 imports in 2010 were mainly related to chapter 2, 85, 29, 74, 10, 72, 71, 25 and 38. In 2016 top 10 imports basket represent the change in chapters like 84, 74, 76, 72, 7, 9, 12, 38, 73 and 90.

The overall picture of top 10 Malaysia imports with India witnessed drastic change, like from 2010 list, chapter 2, 85, 29, 10, 71, 25 and 23 lost their position which was replaced by chapter 84, 76, 7, 9, 12, 73 and 90 in 2016.

Only chapter 74, 38 and 72 were commonly traded in both the years, though it shares changed, like chapter 74 increased by 4%, chapter 38 rose by 1% and chapter 72 by 5%.

Total trade of Malaysia's import witnessed increase in absolute numbers from 1.2 billion \$USD in 2010 to 1.8 billion \$USD in 2016.

Moving onto intra industry trade, in 2010 chapter 85, 29, 38, 74 and 72 were commonly traded which total accounts for 26% in exports and 33% in imports whereas in 2016 chapter 84, 74, 76 and 38 were traded which total accounts for 17% in exports and 43% in imports.

Table 4.23: Malaysia Imports from India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Malaysia Imports from India in 2010 at HS 2 digit				Malaysia Imports from India in 2016 at HS 2 digit			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
2	237861.8	19%	Meat and edible meat offal	84	255690.0	14%	Nuclear reactors, boilers, mchy & m
85	211728.5	17%	Electrical mchy equip parts thereof	74	247307.9	14%	Copper and articles thereof.
29	154851.4	13%	Organic chemicals.	76	217380.3	12%	Aluminium and articles thereof.
74	135106.0	11%	Copper and articles thereof.	72	208276.2	11%	Iron and steel.
10	119699.9	10%	Cereals	7	122074.3	7%	Edible vegetables and certain roots
72	68948.9	6%	Iron and steel.	9	119243.1	7%	Coffee, tea, mati and spices.
71	64657.1	5%	Natural/cultured pearls, prec stone	12	50713.4	3%	Oil seed, oleagi fruits; miscell gr
25	33995.2	3%	Salt; sulphur; earth & ston; plaste	38	47259.5	3%	Miscellaneous chemical products.
23	31908.7	3%	Residues & waste from the food indu	73	41850.4	2%	Articles of iron or steel.
38	28328.5	2%	Miscellaneous chemical products.	90	39468.2	2%	Optical, photo, cine, meas, checkin
Total Trade	1237078.1			Total Trade	1819819.0		

Source: Authors compilation through WITS- UNCOMTRADE database

The table 4.24 and 4.25 below shows Philippines exports and imports with India in pre and post agreement. The table clearly represents the change in the composition of trade. Philippines top 10 exports in 2010 were mainly related to chapter 85, 87, 48, 84, 31, 72, 27, 28, 90 and 39. In 2016 top 10 exports basket represent the change in chapters like 84, 85, 90, 68, 15, 87, 26, 23, 34 and 71.

The composition in share of top 10 exports was changed as six chapters were replaced in span of six years, chapter like 48, 31, 72, 28, 39 and 27 lost their position from the table which was replaced by chapter 68, 15, 26, 23, 34 and 71 in 2016.

The chapters which were same in both the years experienced change in share like, chapter 85 and 87 shares was decreased by 26% and 10% respectively whereas share of chapter 84 and 90 was increased by 16% and 10% respectively.

Total trade of Philippines's export witnessed decrease in absolute numbers from 0.39 billion \$USD in 2010 to 0.31 billion \$USD in 2016.

Table 4.24: Philippines Exports to India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Philippines Exports to India in 2010 at HS 2 digit				Philippines Exports to India in 2016 at HS 2 digit			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
85	162514.6	41%	Electrical mchy equip parts thereof	84	72054.6	23%	Nuclear reactors, boilers, mchy & m
87	58876.0	15%	Vehicles o/t railw/tramw roll-stock	85	46901.2	15%	Electrical mchy equip parts thereof
48	39430.2	10%	Paper & paperboard; art of paper pu	90	37677.3	12%	Optical, photo, cine, meas, checkin
84	29377.2	7%	Nuclear reactors, boilers, mchy & m	68	24554.1	8%	Art of stone, plaster, cement, asbe
31	25505.9	6%	Fertilisers.	15	15891.3	5%	Animal/veg fats & oils & their clea
72	12460.9	3%	Iron and steel.	87	14806.4	5%	Vehicles o/t railw/tramw roll-stock
27	9500.8	2%	Mineral fuels, oils & product of th	26	12895.3	4%	Ores, slag and ash.
28	8280.7	2%	Inorgn chem; compds of prec mtl, r	23	11116.3	4%	Residues & waste from the food indu
90	7845.9	2%	Optical, photo, cine, meas, checkin	34	7603.9	2%	Soap, organic surface-active agents
39	6857.2	2%	Plastics and articles thereof.	71	7589.1	2%	Natural/cultured pearls, prec stone
Total Trade	399428.7			Total Trade	315127.1		

Source: Authors compilation through WITS- UNCOMTRADE database

The table clearly represents the change in the composition of trade. Philippines top 10 imports in 2010 were mainly related to chapter 2, 87, 30, 85, 29, 72, 84, 12, 23 and 38. In 2016 top 10 imports basket represent the change in chapters like 84, 27, 87, 30, 2, 85, 29, 26, 73 and 40.

The new comers in the list of top 10 imports are chapter 27, 26, 73 and 40 in 2016 which replaced chapter 72, 12, 23 and 38 in 2010.

Coming onto existing chapter in both years, shares of chapters 2, 87, 85 and 29 were decreased by 12%, 1%, 1% and 2% respectively from 2010 to 2016. Chapters like 30 and 84 shares increased by 4% and 15% respectively.

Total trade of Philippines's import witnessed increase in absolute numbers from 0.56 billion \$USD in 2010 to 1.5 billion \$USD in 2016.

Moving onto intra industry trade, in 2010 chapter 85, 87, 84 and 72 were commonly traded which total accounts for 66% in exports and 29% in imports whereas in 2016 chapter 84, 85, 87 and 26 were traded which total accounts for 47% in exports and 40% in imports.

Table 4.25: Philippines Imports from India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Philippines Imports India in 2010 at HS 2 digit (Trade value in 1000 USD dollars)				Philippines Imports India in 2016 at HS 2 digit (Trade value in 1000 USD dollars)			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
2	107138.5	19%	Meat and edible meat offal	84	283585.0	19%	Nuclear reactors, boilers, mchy & m
87	83483.2	15%	Vehicles o/t railw/tramw roll-stock	27	230144.3	15%	Mineral fuels, oils & product of th
30	44935.1	8%	Pharmaceutical products.	87	212890.5	14%	Vehicles o/t railw/tramw roll-stock
85	35572.8	6%	Electrical mchy equip parts thereof	30	177248.0	12%	Pharmaceutical products.
29	26126.9	5%	Organic chemicals.	2	101772.3	7%	Meat and edible meat offal
72	21788.6	4%	Iron and steel.	85	75122.5	5%	Electrical mchy equip parts thereof
84	21286.9	4%	Nuclear reactors, boilers, mchy & m	29	39203.5	3%	Organic chemicals.
12	16514.9	3%	Oil seed, oleagi fruits; miscell gr	26	38944.9	3%	Ores, slag and ash.
23	16283.9	3%	Residues & waste from the food indu	73	35399.2	2%	Articles of iron or steel.
38	15172.7	3%	Miscellaneous chemical products.	40	30826.4	2%	Rubber and articles thereof.
Total Trade	569909.4			Total Trade	1523235.2		

Source: Authors compilation through WITS- UNCOMTRADE database

The table 4.26 and 4.27 below shows Singapore exports and imports with India in pre and post agreement. The table clearly represents the change in the composition of trade. Singapore top 10 exports in 2010 were mainly related to chapter 84, 85, 27, 29, 39, 90, 75, 49, 88 and 71. In 2016 top 10 exports basket represent the change in chapters like 85, 84, 29, 39, 90, 27, 71, 38, 72 and 88.

Chapter 75 and 49 in 2010 were replaced by chapter 38 and 72 in 2016.

Among chapters that were same, shares of chapter 84 and 27 decreased by 2% and 13% respectively whereas share of chapters 85, 29, 39, 90 and 71 increased by 1%, 1%, 3%, 2% and 5% respectively.

Total trade of Singapore's export witnessed decrease in absolute numbers from 1.3 billion \$USD in 2010 to 9.7 billion \$USD in 2016.

Table 4.26: Singapore Exports to India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Singapore Exports to India in 2010 at HS 2 digit (Trade value in 1000 USD dollars)				Singapore Exports to India in 2016 at HS 2 digit (Trade value in 1000 USD dollars)			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
84	3164491.7	24%	Nuclear reactors, boilers, mchy & m	85	2338100.4	24%	Electrical mchy equip parts thereof
85	2946952.5	23%	Electrical mchy equip parts thereof	84	2107541.9	22%	Nuclear reactors, boilers, mchy & m
27	2626900.0	20%	Mineral fuels, oils & product of th	29	1009639.3	10%	Organic chemicals.
29	1109647.3	9%	Organic chemicals.	39	813642.9	8%	Plastics and articles thereof.
39	643531.9	5%	Plastics and articles thereof.	90	658241.0	7%	Optical, photo, cine, meas, checkin
90	590835.3	5%	Optical, photo, cine, meas, checkin	27	636984.1	7%	Mineral fuels, oils & product of th
75	207794.7	2%	Nickel and articles thereof.	71	578889.3	6%	Natural/cultured pearls, prec stone
49	185199.4	1%	Printed books, newspapers, pictures	38	229726.7	2%	Miscellaneous chemical products.
88	160918.6	1%	Aircraft, spacecraft, and parts the	72	186789.1	2%	Iron and steel.
71	160253.8	1%	Natural/cultured pearls, prec stone	88	132146.7	1%	Aircraft, spacecraft, and parts the
Total Trade	13006462.1			Total Trade	9784168.9		

Source: Authors compilation through WITS- UNCOMTRADE database

The table clearly represents the change in the composition of trade. Singapore top 10 imports in 2010 were mainly related to chapter 27, 71, 85, 84, 29, 87, 90, 76, 62 and 39. In 2016 top 10 imports basket represent the change in chapters like 27, 71, 84, 74, 29, 85, 90, 30, 32 and 10.

Chapters like 87, 76, 62 and 39 in 2010 got replaced by chapter 30, 32, 10 and 74 in 2016.

Moving onto composition of chapters that maintained in top 10 imports list, share of chapters 27 decreased by 20% whereas shares of chapters like 71, 84, 29 and 90 increased by 5%, 3%, 2% and 2% respectively in six years.

Total trade of Singapore's import witnessed decrease in absolute numbers from 9.1 billion \$USD in 2010 to 5.8 billion \$USD in 2016.

Coming onto intra industry trade, in 2010 chapter 84, 85, 29, 90, 27 and 71 were commonly traded which total accounts for 78% in exports and 85% in imports whereas in 2016 chapter 84, 85, 29, 90, 27 and 71 were traded which total accounts for 76% in exports and 79% in imports.

Table 4.27: Singapore Imports from India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Singapore Imports from India in 2010 at HS 2 digit (Trade value in 1000 USD dollars)				Singapore Imports from India in 2016 at HS 2 digit (Trade value in 1000 USD dollars)			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
27	6383309.4	69%	Mineral fuels, oils & product of th	27	2847857.8	49%	Mineral fuels, oils & product of th
71	671083.8	7%	Natural/cultured pearls, prec stone	71	701345.0	12%	Natural/cultured pearls, prec stone
85	345695.8	4%	Electrical mchy equip parts thereof	84	332065.5	6%	Nuclear reactors, boilers, mchy & m
84	306882.2	3%	Nuclear reactors, boilers, mchy & m	74	307475.6	5%	Copper and articles thereof.
29	230557.9	3%	Organic chemicals.	29	271443.1	5%	Organic chemicals.
87	124286.8	1%	Vehicles o/t railw/tramw roll-stock	85	205494.7	4%	Electrical mchy equip parts thereof
90	104012.0	1%	Optical, photo, cine, meas, checkin	90	152871.0	3%	Optical, photo, cine, meas, checkin
76	82009.3	1%	Aluminium and articles thereof.	30	68676.8	1%	Pharmaceutical products.
62	60795.0	1%	Art of apparel & clothing access, n	32	60087.9	1%	Tanning/dyeing extract; tannins &
39	49143.8	1%	Plastics and articles thereof.	10	54609.3	1%	Cereals
Total Trade	9190832.1			Total Trade	5871034.6		

Source: Authors compilation through WITS- UNCOMTRADE database

The table 4.28 and 4.29 below shows Thailand exports and imports with India in pre and post agreement. The table clearly represents the change in the composition of trade. Thailand top 10 exports in 2010 were mainly related to chapter 84, 39, 29, 85, 40, 87, 71, 17, 76 and 72. In 2016 top 10 exports basket represent the change in chapters like 84, 39, 85, 29, 87, 71, 40, 74, 73 and 72.

In 2010, chapters like 17 and 76 lost their position from top 10 exports in 2016, and chapters like 40 and 73 made it into top exports.

In span of six years, share of chapter 84, 29 and 40 were decreased by 4%, 1% and 2% respectively whereas shares of chapter which increased were 39, 85 and 87 with 2%, 3% and 1% respectively.

Total trade of Thailand's export witnessed decrease in absolute numbers from 4.3 billion \$USD in 2010 to 5.1 billion \$USD in 2016.

Table 4.28: Thailand Exports to India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Thailand Exports to India in 2010 at HS 2 digit (Trade value in 1000 USD dollars)				Thailand Exports to India in 2016 at HS 2 digit (Trade value in 1000 USD dollars)			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
84	1100837.8	25%	Nuclear reactors, boilers, mchy & m	84	1097931	21%	Nuclear reactors, boilers, mchy & m
39	524863.0	12%	Plastics and articles thereof.	39	706383.8	14%	Plastics and articles thereof.
29	373433.5	8%	Organic chemicals.	85	581144.2	11%	Electrical mchy equip parts thereof
85	360057.7	8%	Electrical mchy equip parts thereof	29	362791.1	7%	Organic chemicals.
40	324798.4	7%	Rubber and articles thereof.	87	350806.1	7%	Vehicles o/t railw/tramw roll-stock
87	264412.7	6%	Vehicles o/t railw/tramw roll-stock	71	279708.3	5%	Natural/cultured pearls, prec stone
71	236357.9	5%	Natural/cultured pearls, prec stone	40	267602.3	5%	Rubber and articles thereof.
17	170364.5	4%	Sugars and sugar confectionery.	74	153686.8	3%	Copper and articles thereof.
76	130995.9	3%	Aluminium and articles thereof.	73	149583.2	3%	Articles of iron or steel.
72	95139.4	2%	Iron and steel.	72	122890	2%	Iron and steel.
Total Trade	4393574.0			Total Trade	5117680.8		

Source: Authors compilation through WITS- UNCOMTRADE database

Thailand top 10 imports in 2010 were mainly related to chapters 71, 84, 85, 72, 29, 87, 23, 74, 3 and 52. In 2016 top 10 imports basket represent the change in chapters like 71, 84, 87, 3, 29, 85, 72, 30, 32 and 9.

Chapters that lost their share in six years from top 10 imports were chapters 23, 74 and 52 and chapters like 30, 32 and 9 made it into top 10 imports in 2016.

Share of chapters like 71, 85, 29 and 72 decreased by 3%, 2%, 1% and 2% respectively from 2010 to 2016 whereas chapters whose share increased were 84, 87 and 3 with 1%, 2% and 3% respectively.

Total trade of Thailand's import witnessed increase in absolute numbers from 2.2 billion \$USD in 2010 to 2.5 billion \$USD in 2016.

Coming onto intra industry trade, in 2010 chapter 84, 85 29, 87, 71 and 72 were commonly traded which total accounts for 54% in exports and 52% in imports whereas in 2016 chapter 84, 85, 29, 87, 71 and 72 were traded which total accounts for 53% in exports and 49% in imports.

Table 4.29: Thailand Imports from India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Thailand Imports from India in 2010 at HS 2 digit (Trade value in 1000 USD dollars)				Thailand Imports from India in 2016 at HS 2 digit (Trade value in 1000 USD dollars)			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
71	326786.6	15%	Natural/cultured pearls, prec stone	71	306462.7	12%	Natural/cultured pearls, prec stone
84	235182.0	10%	Nuclear reactors, boilers, mchy & m	84	283542.7	11%	Nuclear reactors, boilers, mchy & m
85	190882.8	8%	Electrical mchy equip parts thereof	87	195952.8	8%	Vehicles o/t railw/tramw roll-stock
72	168254.8	7%	Iron and steel.	3	182829.9	7%	Fish & crustacean, mollusc & other
29	142842.7	6%	Organic chemicals.	29	168312.4	7%	Organic chemicals.
87	139430.8	6%	Vehicles o/t railw/tramw roll-stock	85	162989.2	6%	Electrical mchy equip parts thereof
23	122784.7	5%	Residues & waste from the food indu	72	122963.3	5%	Iron and steel.
74	112505.1	5%	Copper and articles thereof.	30	114255.3	4%	Pharmaceutical products.
3	93730.2	4%	Fish & crustacean, mollusc & other	32	106268.6	4%	Tanning/dyeing extract; tannins &
52	75716.9	3%	Cotton.	9	97478.29	4%	Coffee, tea, mati and spices.
Total Trade	2252737.8			Total Trade	2585541.6		

Source: Authors compilation through WITS- UNCOMTRADE database

The table 4.30 and 4.31 below shows Vietnam exports and imports with India in pre and post agreement. The table clearly represents the change in the composition of trade. Vietnam top 10 exports in 2010 were mainly related to chapter 85, 27, 40, 72, 9, 84, 25, 28, 39 and 38. In 2016 top 10 exports basket represent the change in chapters like 85, 9, 28, 74, 40, 84, 54, 33, 90 and 27.

Chapters like 72, 25, 39 and 38 in 2010 were replaced by chapter like 74, 54, 33 and 90.

Coming into composition share of chapters like 85, 27 and 40 decreased by 3%, 6% and 3% respectively from 2010 to 2016 where chapter like 9, 84 and 28 shares increased by 1%, 1% and 4% respectively.

Total trade of Vietnam's export witnessed decrease in absolute numbers from 0.9 billion \$USD in 2010 to 2.6 billion \$USD in 2016.

Table 4.30: Vietnam Exports from India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Vietnam Exports to India in 2010 at HS 2 digit (Trade value in 1000 USD dollars)				Vietnam Exports to India in 2016 at HS 2 digit (Trade value in 1000 USD dollars)			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
85	361575.3	36%	Electrical mchy equip parts thereof	85	899883.3	33%	Electrical mchy equip parts thereof
27	80395.6	8%	Mineral fuels, oils & product of th	9	208594.6	8%	Coffee, tea, mati and spices.
40	79788.7	8%	Rubber and articles thereof.	28	197612.7	7%	Inorgn chem; compds of prec mtl, r
72	71901.7	7%	Iron and steel.	74	179629.1	7%	Copper and articles thereof.
9	70591.2	7%	Coffee, tea, mati and spices.	40	139878.9	5%	Rubber and articles thereof.
84	40838.8	4%	Nuclear reactors, boilers, mchy & m	84	139258.4	5%	Nuclear reactors, boilers, mchy & m
25	30739.6	3%	Salt; sulphur; earth & ston; plaste	54	87067.0	3%	Man-made filaments.
28	27043.3	3%	Inorgn chem; compds of prec mtl, r	33	68125.6	3%	Essential oils & resinoids; perf,
39	26166.9	3%	Plastics and articles thereof.	90	60585.8	2%	Optical, photo, cine, meas, checkin
38	18239.4	2%	Miscellaneous chemical products.	27	53547.4	2%	Mineral fuels, oils & product of th
Total Trade	991592.168			Total Trade	2687183.269		

Source: Authors compilation through WITS- UNCOMTRADE database

The table clearly represents the change in the composition of trade. Vietnam top 10 imports in 2010 were mainly related to chapter 23, 52, 30, 10, 38, 29, 39, 85, 84 and 41. In 2016 top 10 imports basket represent the change in chapters like 84, 30, 3, 52, 85, 72, 87, 29,2 and 39.

Chapters which have lost their share from top 10 import list were 23, 10, 38 and 41 and chapters like 3, 72, 87 and 2 made their share in top 10 imports in 2016.

Moving onto composition, chapters like 52 shares decreased from 10% to 8% in six years whereas share of chapters 85 and 84 increased by 3% and 8% respectively.

Total trade of Vietnam's export witnessed increase in absolute numbers from 1.7 billion \$USD in 2010 to 2.7 billion \$USD in 2016.

Coming onto intra industry trade, in 2010 chapter 84, 85 and 39 were commonly traded which total accounts for 43% in exports and 21% in imports whereas in 2016 chapter 84 and 85 were traded which total accounts for 38% in exports and 17% in imports.

Table 4.31: Vietnam Imports from India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Vietnam Imports from India in 2010 at HS 2 digit (Trade value in 1000 USD dollars)				Vietnam Imports from India in 2016 at HS 2 digit (Trade value in 1000 USD dollars)			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
23	411988.3	23%	Residues & waste from the food indu	84	310334.7	11%	Nuclear reactors, boilers, mchy & m
52	179513.7	10%	Cotton.	30	276967.6	10%	Pharmaceutical products.
30	169171.4	10%	Pharmaceutical products.	3	275419.8	10%	Fish & crustacean, mollusc & other
10	128694.6	7%	Cereals	52	232479.0	8%	Cotton.
38	104906.5	6%	Miscellaneous chemical products.	85	161709.8	6%	Electrical mchy equip parts thereof
29	71371.2	4%	Organic chemicals.	72	147006.7	5%	Iron and steel.
39	62020.7	4%	Plastics and articles thereof.	87	135843.6	5%	Vehicles o/t railw/tramw roll-stock
85	59410.9	3%	Electrical mchy equip parts thereof	29	116282.5	4%	Organic chemicals.
84	57114.5	3%	Nuclear reactors, boilers, mchy & m	2	103212.6	4%	Meat and edible meat offal
41	55712.2	3%	Raw hides and skins (other than fu	39	100300.7	4%	Plastics and articles thereof.
Total Trade	1761918.28			Total Trade	2743367.896		

Source: Authors compilation through WITS- UNCOMTRADE database

The table 4.32 and 4.33 below shows Cambodia exports and imports with India in pre and post agreement. The table clearly represents the change in the composition of trade. Cambodia top 10 exports in 2010 were mainly related to chapter 15, 64, 61, 40, 90, 62, 87, 83, 39 and 55. In 2016 top 10 exports basket represent the change in chapters like 61, 40, 87, 64, 62, 29, 9, 8, 11 and 76. Chapters that lost their position in top 10 exports charts in 2016 were 15, 90, 83, 39 and 55, which was replaced by 9, 8, 11, 29 and 76.

Share of chapter 64 decreased by 2% whereas share of chapter like 61, 40, 62 and 87 increased by 27%, 27%, 4% and 12% respectively.

Total trade of Cambodia's exports witnessed increase in absolute numbers from 7849.4 (1000 USD dollars) in 2010 to 22560.5 (1000 USD dollars) in 2016.

Table 4.32: Cambodia Exports to India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Cambodia Exports to India in 2010 at HS 2 digit (Trade value in 1000 USD dollars)				Cambodia Exports to India in 2016 at HS 2 digit (Trade value in 1000 USD dollars)			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
15	6279.9	80%	Animal/veg fats & oils & their clea	61	7535.1	33%	Art of apparel & clothing access,
64	467.9	6%	Footwear, gaiters and the like; par	40	7192.1	32%	Rubber and articles thereof.
61	433.7	6%	Art of apparel & clothing access,	87	2642.2	12%	Vehicles o/t railw/tramw roll-stock
40	416.0	5%	Rubber and articles thereof.	64	1804.1	8%	Footwear, gaiters and the like; par
90	99.1	1%	Optical, photo, cine, meas, checkin	62	1179.8	5%	Art of apparel & clothing access, n
62	93.8	1%	Art of apparel & clothing access, n	29	550.0	2%	Organic chemicals.
87	19.4	0%	Vehicles o/t railw/tramw roll-stock	9	493.0	2%	Coffee, tea, mati and spices.
83	10.5	0%	Miscellaneous articles of base meta	8	307.9	1%	Edible fruit and nuts; peel of citr
39	7.6	0%	Plastics and articles thereof.	11	209.4	1%	Prod.mill.indust; malt; starches;
55	6.6	0%	Man-made staple fibres.	76	173.0	1%	Aluminium and articles thereof.
Total Trade	7849.4			Total Trade	22560.5		

Source: Authors compilation through WITS- UNCOMTRADE database

The table clearly represents the change in the composition of trade. Cambodia top 10 imports in 2010 were mainly related to chapter 30, 55, 23, 41, 52, 24, 84, 36, 86 and 87. In 2016 top 10 imports basket represent the change in chapters like 30, 55, 85, 87, 41, 84, 11, 52, 23 and 60.

Chapters like 24, 36 and 86 lost their position from top exports which were replaced by 85, 11, and 60. In six years, chapter like 30, 55, and 23 shares decreased by 5%, 7% and 11% respectively; on the other hand chapters like 41, 84 and 87 share rose by 1%, 4% and 5% respectively. Total trade of Cambodia's imports witnessed increase in absolute numbers from 0.05 billion \$USD in 2010 to 0.08 billion \$USD in 2016.

Coming onto intra industry trade, in 2010 chapter 87 and 55 were commonly traded which total accounts for less than 1% in exports and 22% in imports whereas in 2016 chapter 87 and 11 were traded which total accounts for 13% in exports and 11% in imports.

Table 4.33: Cambodia Imports from India in 2010 and 2016 at HS 2 digit (Value in 1000 \$ USD)

Cambodia Imports from India in 2010 at HS 2 digit (Trade value in 1000 USD dollars)				Cambodia Imports from India in 2016 at HS 2 digit (Trade value in 1000 USD dollars)			
HS-2 digit	Trade Value	Share	Product Description	HS-2 digit	Trade Value	Share	Product Description
30	19426.3	37%	Pharmaceutical products.	30	28423.6	32%	Pharmaceutical products.
55	10995.2	21%	Man-made staple fibres.	55	12073.9	14%	Man-made staple fibres.
23	7533.2	14%	Residues & waste from the food indu	85	6865.8	8%	Electrical mchy equip parts thereof
41	2605.5	5%	Raw hides and skins (other than fu	87	5672.0	6%	Vehicles o/t railw/tramw roll-stock
52	2115.7	4%	Cotton.	41	5256.9	6%	Raw hides and skins (other than fu
24	1529.1	3%	Tobacco and manufactured tobacco su	84	5016.7	6%	Nuclear reactors, boilers, mchy & m
84	938.1	2%	Nuclear reactors, boilers, mchy & m	11	4654.3	5%	Prod.mill.indust; malt; starches;
36	854.0	2%	Explosives; pyrotechnic prod; match	52	3841.7	4%	Cotton.
86	595.5	1%	Railw/tramw locom, rolling-stock &	23	2964.9	3%	Residues & waste from the food indu
87	577.6	1%	Vehicles o/t railw/tramw roll-stock	60	1992.3	2%	Knitted or crocheted fabrics.
Total Trade	52500.8			Total Trade	89260.7		

Source: Authors compilation through WITS- UNCOMTRADE database

The above tables depict country wise bilateral trade and composition of trade with volume and share in pre and post agreement period between ASEAN and India. This table is supporting tables for understanding the structure of trade in terms of rising trade volume and share with ASEAN members and India. The tables under section 4.1.4 at 2 digit HS classification level with ASEAN 7 members' bilateral trade with India is to compare the IIT index at 2 digit with the mentioned trade composition and trade volume. This is done to understand and gauge the sectors that have been identified by the present study.