PREFACE

Cooperation and rising regionalism is a global phenomenon because countries-big and small alike-have used to this to respond to global challenges and developments. They integrate because they do not want to lose out in the global competition for export markets and foreign direct investment. Due to dynamics in multilateral trade negotiations, small nations resort to regionalism influence. India and ASEAN, with its member countries, came together for the same reasons to meet the challenges of the rapidly liberalizing world. Because of sharing pre-historic linkages, India was very keen to join hands with South-East Asia and found its valuable destination in ASEAN region. From the early 1990s, after India’s renewed engagement with South-East Asia, India-ASEAN relations progressed steadily from then on.

India regards Indonesia as the key member of ASEAN region. Both nations had agreed to establish a strategic partnership. Since the adaptation of ‘Look East Policy’ in 1991, there has been a rapid development of bilateral relations in political, security, defense, commercial and cultural fields. The India-Indonesia partnership holds ample potential for a successful future. According to the current story of India and Indonesia bilateral engagement, it seems that both nations are very much interested to lay the foundation of strong relationship with a long term insight on greater integration along with the deepening of economic and trade ties.

The present study is divided into six chapters. The first chapter is an introduction to the study. A brief history of India’s trade relations with the world over time, India’s linkages with South-East Asia and the evolution of India’s bilateral relations with ASEAN over time, objectives, scope and importance of the study, hypotheses, methodology adopted, data sources and limitations of the study are discussed in this chapter.

Chapter two is divided into two parts. First part discusses the theoretical studies of concerning India-ASEAN relationship. The second part covers the reviews of empirical studies related to the area of study.

Chapter three discusses determinants of India’s international trade through Gravity Model Approach. It is suggested that after knowing its trade determinants,
India should take advantage by focusing on these determinants while trading with ASEAN and its member countries.

Chapter four analyses India's trade with ASEAN and its ten member countries individually. After analyzing the trade patterns between both the regions, the trade intensity index over the period 2001 to 2013 is calculated to find out India's export and import intensity with that of ASEAN and its member countries.

Chapter five presents the estimation of Revealed Comparative Advantage (RCA) Model over the trade pattern of India and Indonesia. Through the RCA analyses, a comparison of India-Indonesia trade has been calculated at 2 digit commodity level in the year 2007 and 2011 and at 6 digit commodity level in the year 2011 and 2012. The chapter further evaluates trade potential between both the countries for the same years i.e. 2007 and 2011 at 2 digit commodity level.

Chapter six deal with summary and conclusion of the study along with suggestions for the further enhancement of India-ASEAN bilateral engagement. Agenda for future studies is also given in this chapter.