India-Asean Summit unlikely to break deadlock on trade pact review

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The India-Asean Summit in the Philippines on November 17, which Prime Minister Narendra Modi is scheduled to attend, is unlikely to deliver a breakthrough in the long-pending review of the Asean-India Trade in Goods Agreement (AITIGA). Both sides are yet to bridge differences over market access, rules of origin and the terms of a more balanced trade arrangement, sources said.

India and the Asean bloc have been trying to reach an agreement on the review, which was initiated at New Delhi's insistence amid concerns over the widening trade deficit under the existing pact, implemented in 2010.

"The problem is that the Asean, too, is putting forward its own market access demands while New Delhi is focused on balancing the pact. Despite several rounds of negotiations over the past years, differences over the extent of reciprocal market access and the changes needed to make the agreement more equitable have persisted," a source tracking the matter told *businessline*.

The next meeting of the Joint Committee is scheduled to be held in India in January 2027

The urgency of the review stems from the growing imbalance in bilateral trade. In 2025-26, India-Asean trade stood at $128.38 billion, with India's exports at $38.41 billion and imports at $89.96 billion.

The resulting trade deficit of $51.55 billion is several times the $7 billion deficit when the agreement came into force in 2010.

The 15th meeting of the AITIGA Joint Committee was held in Jakarta from October 6 to 9, with India and Asean directing their respective sub-committees to expedite negotiations on pending chapters and establish firm, time-bound deliverables..

SUB-COMMITTEES

According to a Commerce Ministry statement, three of the eight sub-committees also met alongside the Joint Committee. Both sides reiterated their commitment to a balanced and forward-looking agreement and agreed to coordinate closely to ensure measurable progress.

The next meeting of the Joint Committee is scheduled to be held in India in January 2027 to assess the progress made by the sub-committees.

"The review was expected to be concluded at the Asean-India Summit in October 2025, but differences between the two sides prevented a settlement. With negotiations continuing into 2027, the November summit is unlikely to see a significant breakthrough," the source affirmed.

India is seeking to address tariff asymmetries and non-tariff barriers that constrain its exports, besides tightening rules of origin to prevent Chinese goods from being routed through Asean countries to circumvent Indian tariffs. The Asean members, meanwhile, are seeking greater access to the Indian market and more flexibility in rules governing their exports.