Negotiators give fresh push to FTA with Asean

Panels asked to expedite finalisation of pending chapters

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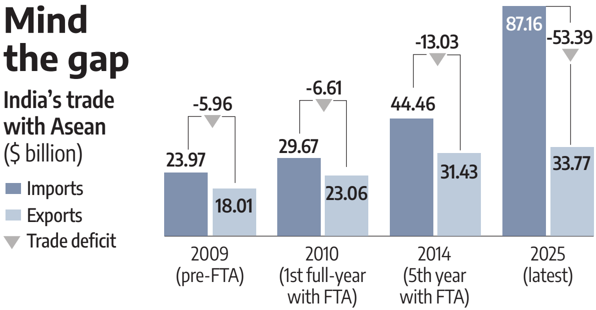

Source: Department of Commerce, World Integrated Trade Solution

Negotiators from India and the Association of Southeast Asian Nations (Asean) have asked their teams to accelerate talks on reviewing their free-trade agreement (FTA) after missing the initial deadline of December 2025. The joint committee overseeing the Asean-India Trade in Goods Agreement (AITIGA) urged its sub-panels to speed up negotiations during its 13th meeting, the commerce ministry said on Wednesday.

"The joint committee provided strategic guidance to the sub-committees in their respective areas of work and urged them to expedite the finalisation of the outstanding chapters under the AITIGA review," the ministry said. The five-day joint committee meeting, which began on Monday, will conclude on Friday.

"To maintain the momentum of negotiations, the sub-committees were assigned time-bound deliverables and encouraged to work closely towards achieving tangible outcomes within the agreed timelines," the ministry added.

According to the statement, meetings of three of the eight sub-committees are being held alongside the joint committee meeting. These cover Customs procedures and trade facilitation, national treatment and market access, and rules of origin. Concluding the review of the AITIGA, which came into force in 2010, remains a priority for New Delhi as it seeks to address its widening trade imbalance with the Asean bloc. Since the agreement took effect, India's imports from Asean have nearly quadrupled, while its exports have not doubled over the past 16 years.

India's trade deficit with Asean widened to over $50 billion in 2025 from over $5 billion in 2009, the year before the FTA came into force. Trade experts, however, argue that India should focus on improving its export competitiveness rather than relying on the FTA review to narrow the trade deficit.

"The objective of an FTA review is to deepen trade liberalisation, not restrict it. India's trade deficit with many FTA partners tends to widen because its import duties are generally higher than those of its partners, giving them a greater tariff advantage once the pact comes into force," said Ajay Srivastava, founder of the Delhi-based Global Trade Research Initiative.

He added that a significant share of India's imports from Asean comprises raw materials and intermediate goods used to manufacture export products. As a result, curbing imports from the bloc may not be the most effective way to address the trade imbalance.