Asean-India joint panel sets strict timeline to speed up trade pact review

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The Asean-India Trade in Goods Agreement (AITIGA) joint committee, which is seeking a speedy conclusion to the review of the bilateral free trade pact, has set strict timelines for various sub-committees to finalise pending chapters, said the Commerce Department on Wednesday.

The sub-committees are reviewing key areas under the agreement, including market access and national treatment, rules of origin, customs procedures and trade facilitation. The review comes against India's growing concern over its widening merchandise trade deficit with the Asean bloc.

"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. 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," said the Commerce Department in a statement.

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India and Asean had hoped to conclude the review during the Asean-India Summit in October 2025, but differences over issues such as market access and rules of origin delayed the process. "India has sought greater market access to the Asean market to increase exports and reduce the trade deficit,

but Asean, too, wants lower import duties for some of its products. Also, India wants tighter rules of origin to keep out Chinese goods," said a source tracking the matter.

New Delhi is hosting the 13th AITIGA joint committee meeting from July 6-10 with the focus on achieving tangible outcomes within the agreed timelines. Delegations from all Asean member states — Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam — participated in the meeting, the statement added.

"Asean remains one of India's key trading partners, accounting for around 11 per cent of India's global trade. Bilateral trade between India and Asean reached $128 billion in 2025-26, reflecting the strong economic partnership between the two sides and providing further opportunities to expand trade and investment cooperation," the statement noted.

However, India's trade deficit with Asean has widened sharply to $45.2 billion in FY25 from less than $7 billion in 2010 when AITIGA was implemented. Experts attribute the widening deficit to lower tariff reduction commitments by Thailand and Vietnam, as well as poor utilisation of the agreement by Indian exporters.