

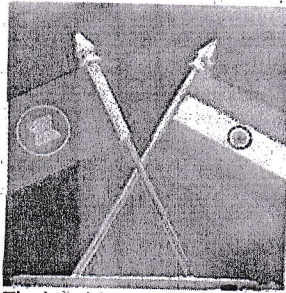
Asean FTA: India to focus on maximising exports, blocking China

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New Delhi

India will focus on maximising its exports to the Asean bloc by addressing specific market access issues with each country in the ongoing round of the Asean-India free trade agreement (FTA) review, said sources.

"The idea is to have a more balanced trade with the Asean. Since we implemented the pact in 2010, different Asean countries have moved differently in terms of their export competitiveness and import intensiveness. So, we are trying to maximise our trade volumes with these countries," an official tracking the matter said.

New Delhi will also try to ensure that the rules of origin (ROO) — the criteria to determine the national ori-



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gin of a product — are stringent enough to ensure that third country imports, especially from China, do not come through the bloc at preferential tariffs.

"The key drivers of the Asean-India FTA are ROO and market access. We want to see that the ground principles in these two areas are agreed upon in the ongoing

round," the official said.

IMPORTS, EXPORTS

The chief negotiators from the 10 Asean countries — Brunei, Myanmar, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam — are in Delhi this week to participate in the fourth round of review of the bilateral FTA, officially called the Asean-India Trade in Goods Agreement (AITIGA).

The AITIGA, implemented in 2010, resulted in disproportionate gains for Asean countries. While India's exports to the bloc increased to \$41.2 billion in FY24 from \$25.62 billion in FY11, imports shot up to \$79.66 billion in FY24 from \$30.6 billion in FY11.

Under the pact, both sides agreed to open their respective markets by progressively

reducing and eliminating duties on 76.4 per cent coverage of goods.

However, the Asean countries did not take on uniform commitments and had a diverse duty structure with countries like Vietnam taking lower commitments, which India wants to be corrected in the review.

DEFENCE MECHANISM

With China's increased integration with Asean countries over the past decade and a half, India wants that the ROO should be effective in blocking imports of Chinese products through Asean countries.

"ROO needs to be stringent enough to block inflow of Chinese goods into India from the Asean countries at nil or low interest rates. India has to protect against that," the official said.