

India, Asean to conclude FTA review by 2025

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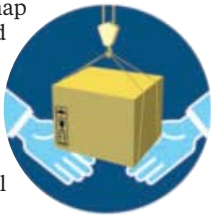
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India and the Association of Southeast Asian Nations (Asean) have agreed to conclude the review of the existing free-trade agreement (FTA) in goods by 2025, an official statement said on Monday.

The FTA between India and the 10-nation bloc came into effect 13 years ago. Indian businesses have long been pushing for its review.

The statement comes in the backdrop of the 20th Asean-India Economic Ministers' meeting held on Monday in Semarang, Indonesia.

"The main agenda of this year's meeting was the timely review of the Asean-India Trade in Goods Agreement (AITIGA), which was signed in 2009. The meeting was preceded by an AITIGA joint committee meeting, which deliberated the road map for the review and finalised the term of reference and the work plan of the AITIGA review negotiations," an official statement said.



"The ministers agreed to follow a quarterly schedule of negotiations and conclude the review in 2025," the statement said, adding that the review was expected to enhance and diversify trade while addressing the "current asymmetry of bilateral trade".

In 2022-23, India's exports to Asean increased to \$44 billion from \$42.32 billion in 2021-22. Imports, however, grew faster — jumped to \$87.57 billion in 2022-23 against \$68 billion a year ago.

The trade deficit widened to \$43.57 billion in the last financial year, from \$25.76 billion in 2021-22. It was just \$5 billion in 2010-11.

Earlier this month, Commerce and Industry minister Piyush Goyal had said the trade agreement with Asean was an "ill-conceived" agreement and unfair to the Indian industry.

Apart from the widening trade deficit, India has been worried about the routing of goods from third countries in India through Asean countries members by taking the duty advantages of the agreement.

Asean members include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

