

'ASEAN stonewalling progress of FTA review with India'

Amiti Sen
New Delhi

The ASEAN countries are "stonewalling" the progress of the ongoing India-ASEAN FTA review and are not ready to move towards a balanced and sustainable pact, an official said.

India and the 10-member ASEAN bloc had implemented the FTA, formally known as the ASEAN-India trade in goods agreement (AITIGA), in 2010, but the pact resulted in a steady widening of trade deficit for India.

"It was a very unfair pact with India offering duty concessions on 71 per cent of tariff lines, while ASEAN countries including Indonesia, opened just 41 per cent of its tariff lines, Vietnam 66.5 per cent and Thailand 67 per cent," the source pointed out.

Although the ASEAN agreed to a review of the AITIGA following India's insistence and negotiations started in 2023, there is not much progress.

"So far, nine rounds of talks have been completed. They are going very slow. Very less progress is there. Asean is stonewalling the

talks," the official said. India's trade deficit with the ASEAN countries, which was around \$8 billion in 2010, increased several-fold to touch \$45.2 billion in FY25.

During the fiscal, India's exports to the ASEAN bloc declined 5.7 per cent to \$38.96 billion while imports increased 5.6 per cent to \$84.16 billion.

The ASEAN includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

Recently speaking at the India Global Forum (IGF) session in London, Commerce & Industry Minister Piyush Goyal had said that it was not a good idea to have entered into an FTA with the ASEAN.

"There was a point of time 15 years ago when we were more focused on doing FTAs with countries who were our competitors. So if I am doing an ASEAN agreement, it really is silly because (that is) opening up my market to my competitors, many of whom have now become the B team of China....So effectively and indirectly, I have opened up my market for goods that find their way from China into India," he said.