

## INDIA HOSTS 10TH AITIGA JOINT COMMITTEE

**NEWS:** India hosted the 10th Meeting of the ASEAN–India Trade in Goods Agreement (AITIGA) Joint Committee in New Delhi from 10–14 August 2025 to advance the review of the agreement.

### ASEAN–India Trade in Goods Agreement (AITIGA)

**Legal Foundation** – Signed in 2009 and enforced from 2010, AITIGA provides the legal basis for trade in goods between India and the 10 ASEAN member countries.

**Purpose of Review** – The ongoing review aims to make the agreement more trade-facilitative, enhance transparency, remove bottlenecks, and ensure mutual benefits for India and ASEAN countries.

**Trade Significance** – ASEAN constitutes roughly 11% of India's global trade. Bilateral trade between India and ASEAN reached USD 123 billion in 2024–25, underscoring ASEAN as a key regional partner.

#### Institutional Framework –

The AITIGA Joint Committee monitors and oversees the implementation and progress of the agreement. Eight specialized Sub-Committees operate under this Joint Committee; seven were active in the recent review session:

1. **SC-CPTF:** Customs Procedures and Trade Facilitation
  2. **SC-LII:** Legal and Institutional Issues
  3. **SC-NTMA:** National Treatment and Market Access
  4. **SC-SPS:** Sanitary and Phytosanitary Measures
  5. **SC-ROO:** Rules of Origin
  6. **SC-STRACAP:** Standards, Technical Regulations, and Conformity Assessment Procedures
  7. **SC-TR:** Trade Remedies
- **Strategic Importance:** The review of AITIGA complements India's **Act East Policy**, aiming to enhance market access, ensure balanced tariff concessions, and reduce non-tariff barriers for Indian exporters.

### ASEAN – Establishment and Membership

**Formation** – ASEAN was established on 8 August 1967 through the Bangkok Declaration.

**Founding Members** – Indonesia, Malaysia, Philippines, Singapore, and Thailand.

**Later Members** – Brunei (1984), Vietnam (1995), Laos (1997), Myanmar (1997), Cambodia (1999), making a total of 10 members.

**Headquarters** – Jakarta, Indonesia.

#### ASEAN Objectives

1. Promote regional peace, stability, and prosperity.
2. Facilitate economic, political, security, socio-cultural, and technological cooperation among members.
3. Build a rules-based, people-oriented community.

#### Key ASEAN Agreements & Initiatives

1. **ASEAN Free Trade Area (AFTA, 1992)** – Promotes tariff reductions and trade liberalization within ASEAN.
2. **ASEAN Charter (2008)** – Provided legal personality and a binding framework for ASEAN as a regional organization.
3. **ASEAN Economic Community (AEC)** – Aims to create a single market and production base among ASEAN nations.
4. **ASEAN Regional Forum (ARF)** – Serves as a platform for security dialogue with external partners like India, the USA, and China.

#### ASEAN–India Relations

**Partnership Evolution** – India became a Sectoral Dialogue Partner in 1992, a Full Dialogue Partner in 1996, and elevated to Strategic Partnership in 2012.

**Trade Agreements –**

ASEAN–India FTA in Goods (2009; in force from 2010)

ASEAN–India FTA in Services & Investment (2015)

**Trade Volume** – ASEAN accounted for approximately 11% of India's total trade, amounting to USD 123 billion in 2024–25.

**Multilateral Platforms –**

1. ASEAN–India Summit
2. East Asia Summit
3. ADMM+ (ASEAN Defence Ministers' Meeting Plus)
4. AITIGA Review meetings for trade in goods

How India–ASEAN Relations Have Evolved Over Time?

**Early Engagement: Historical and Cultural Ties**

Ancient Trade and Cultural Links: Indian influence on Southeast Asia through Buddhism, Hinduism, and Sanskrit (e.g., Angkor Wat, Ramayana traditions). Flourishing trade routes linked India with Southeast Asian kingdoms.

**Colonial Era and Anti-Colonial Struggles:** Shared struggle against colonial rule; India supported Indonesia's independence.

**Bandung Conference (1955):** Marked India's engagement with newly independent Asian and African nations.

**Post-Independence Period: Limited Interaction (1950s–1980s)**

**Non-Alignment and Regional Priorities:** India's focus on domestic issues and Cold War non-alignment policy led to limited ASEAN engagement.

**Minimal Economic and Strategic Cooperation:** India's inward-looking economy restricted trade and investment.

ASEAN prioritized engagement with Western economies majorly the United States.

**Post-Cold War – Economic and Strategic Engagement (1990s–2000s)**

**Look East Policy** – Launched after economic liberalization to strengthen ties with Southeast Asia.

India became a Sectoral Dialogue Partner of ASEAN in 1992, Full Dialogue Partner in 1996 and Summit-level Partner in 2002.

**Early Trade and Security Agreements** – ASEAN Trade in Goods Agreement (2009) boosted trade and investment. India–ASEAN Trade in Services Agreement (2015) further boosted economic ties.

**Strengthening Strategic Partnership (2011–Present)**

**Act East Policy (2014)** – Expanded Look East to focus on deeper political, economic, and security ties. India upgraded relations with ASEAN to a Strategic Partnership in 2012. Also, in November 2022, they upgraded their relationship to a Comprehensive Strategic Partnership (CSP).

**15th ASEAN–India Summit (2017)** – Security and economic cooperation in the maritime domain was prioritized. Proposal for joint naval exercises and fleet review with ASEAN navies. Announcement of ASEAN–India Startup Festival and Pravasi Bharatiya Divas.

**India–ASEAN Plan of Action (2016–2020)** – Signed at the 3rd ASEAN–India Summit in 2004; the current iteration was adopted in 2015. 70 out of 130 activities implemented, covering trade, security, and cultural cooperation.

**Financial Mechanisms Supporting India–ASEAN Cooperation**

**ASEAN–India Fund (2016)** – \$50 million to support the Plan of Action.

**ASEAN–India Science & Technology Fund (2015)** – Increased to \$5 million.

**ASEAN–India Green Fund (2007)** – \$5 million for climate change adaptation projects.

**ASEAN–India Project Development Fund** – Rs. 500 crore SPV to facilitate investments.

What are the Key Areas of Convergence Between India and ASEAN?

**Maritime Security & Indo-Pacific Cooperation** – India and ASEAN share concerns over China's assertiveness in the South China Sea, making maritime security a key area of cooperation.

India supports ASEAN centrality in the Indo-Pacific and has increased joint naval exercises and capacity-building initiatives. India's Indo-Pacific Oceans Initiative (IPOI) aligns with ASEAN's Outlook on the Indo-Pacific (AOIP), focusing on freedom of navigation and regional stability. India's SAGAR (Security and Growth for All in the Region) doctrine also complements ASEAN's maritime objectives.

**Trade and Economic Integration** – ASEAN is India's fourth-largest trading partner, and India-ASEAN trade has grown significantly in the last decade. The India-ASEAN Free Trade Agreement (FTA) is being reviewed to address trade imbalances and enhance supply chain resilience. India's Act East Policy focuses on deeper integration with ASEAN economies through digital trade, fintech, and regional value chains. India's Unified Payments Interface (UPI) and Singapore's PayNow are now officially connected allowing for "real-time payment linkage". ASEAN also benefits from India's emerging role as a manufacturing hub amid China+1 strategies.

**Connectivity & Infrastructure Development** – India and ASEAN seek greater physical and digital connectivity to enhance economic ties and regional integration. In 2017, India committed \$1 billion in credit for ASEAN connectivity and maritime projects. The India-Myanmar-Thailand Trilateral Highway and Kaladan Multimodal Transit Project aim to link India's Northeast with Southeast Asia. Digital infrastructure and 5G collaboration are also emerging areas of focus.

**Defense and Counterterrorism Cooperation** – India and ASEAN have intensified defense cooperation through military training, joint exercises, and intelligence sharing. Terror threats from radical extremism in Southeast Asia and India's concerns over cross-border militancy in the Northeast make counterterrorism a shared priority. Defense exports, including BrahMos missiles to the Philippines, signal a shift towards deeper military ties. India's defence exports surged by 78% in the first quarter of FY 2024-25, with ASEAN as a key market.

**Energy Security & Green Transition** – Both India and ASEAN are pushing for renewable energy cooperation, reducing fossil fuel dependency, and expanding clean energy investments. India's International Solar Alliance (ISA) aligns with ASEAN's Clean Energy Pathway. ASEAN nations are also exploring nuclear energy, where India can offer expertise in thorium-based reactors.

**Space & Technology Collaboration** – India's advancements in space technology, AI, and digital governance present a strong area of cooperation with ASEAN. ASEAN nations are keen on leveraging ISRO's satellite capabilities for disaster management and telecommunication. ISRO is helping ASEAN set up a Regional Satellite Tracking Station in Vietnam. India's Digital Public Infrastructure (DPI) model, including Aadhaar and UPI, offers a template for ASEAN's fintech expansion.

**Tourism & Cultural Diplomacy** – India and ASEAN share centuries-old cultural and religious linkages, including Buddhism and Hinduism. Strengthening people-to-people ties through visa liberalization, spiritual tourism, and cultural exchanges can boost engagement. Increased direct flights and tourism infrastructure development can further enhance connectivity. Indonesia's Ramayana Ballet and Thailand's Ayutthaya city which is known as the "Ayodhya of Thailand" celebrate shared heritage.

**Geopolitical Cooperation & Multipolarity** – India and ASEAN are key players in regional stability, balancing US-China tensions. Both emphasize a rules-based order in the Indo-Pacific, avoiding military bloc politics while strengthening multilateralism through BRICS, EAS, and G20. India also backed ASEAN's Five-Point Consensus on the Myanmar Crisis.

What are the Key Areas of Friction Between India and ASEAN?

**Trade Imbalance & RCEP Withdrawal** – India has a trade deficit of over \$43 billion with ASEAN, raising concerns over market access and unfair trade practices. India withdrew from the Regional Comprehensive Economic Partnership (RCEP) in 2019, citing concerns over Chinese goods flooding its



market through ASEAN nations. India has called for FTA renegotiation to address tariff asymmetry and non-tariff barriers, but progress remains very slow.

**Slow Progress in Connectivity Projects** – Despite strategic importance, India's connectivity projects with ASEAN face delays due to funding issues, political instability, and bureaucratic bottlenecks. The India-Myanmar-Thailand Trilateral Highway has been repeatedly postponed due to slow execution and unrest in Myanmar. Similarly, the Kaladan Multimodal Project, crucial for India's Northeast connectivity, has suffered from security concerns and lack of progress. These delays impact India's credibility in regional infrastructure development.

**Limited Defense Cooperation & ASEAN's China Tilt** – While India and ASEAN conduct military exercises, ASEAN's divergent security priorities and reluctance to counter China directly limit deeper defense engagement. Most ASEAN nations are hesitant to align with India's Indo-Pacific vision due to economic dependence on China. ASEAN has not strongly supported India's stance on freedom of navigation in the South China Sea. In 2023, trade between ASEAN and China reached a record high of USD 702 billion, while ASEAN-India bilateral trade stood at merely USD 122.67 billion during 2023-24, highlighting ASEAN's economic reliance on China.



**Differences in Indo-Pacific Strategy** – India promotes an open and inclusive Indo-Pacific with a focus on ASEAN centrality, but ASEAN countries remain divided on openly endorsing India's strategic goals. While Vietnam and the Philippines support India's stronger Indo-Pacific presence, others

like Cambodia prefer neutrality to avoid antagonizing China. This limits India's ability to build a unified Indo-Pacific strategy with ASEAN as a whole. Myanmar Crisis and Divergent Political Stances: India and ASEAN differ on their approach to Myanmar's political crisis following the 2021 military coup. ASEAN has pushed for diplomatic engagement through its Five-Point Consensus, while India has maintained pragmatic ties with Myanmar's junta due to border security and connectivity interests. This has created friction, as some ASEAN members view India's approach as inconsistent with democratic principles. India handed over military hardware to Myanmar's junta in 2022, while ASEAN imposed restrictions.

**Digital Trade & Data Protection Issues** – India and ASEAN differ on data localization, cybersecurity, and digital trade regulations, slowing fintech and e-commerce expansion. ASEAN prefers a liberal digital trade regime, while India enforces data sovereignty rules (e.g., restrictions on cross-border data flow under India's Digital Personal Data Protection Act, 2023). This has created regulatory mismatches affecting businesses in fintech, e-commerce, and AI collaborations. India's UPI linkage with Singapore (2023) is an exception but remains limited to bilateral agreements.

What Measures can be Adopted to Strengthen India-ASEAN Relations?

**Fast-Track Connectivity Projects for Economic Integration** – Accelerating the completion of the India-Myanmar-Thailand Trilateral Highway and Kaladan Multimodal Project will improve physical connectivity and trade. Establishing special economic zones (SEZs) along the corridor can attract investment and manufacturing, reducing ASEAN's overdependence on China. India should engage ASEAN in Public-Private Partnership (PPP) models to overcome delays in execution. Strengthening air and maritime links, especially with Indonesia, Vietnam, and the Philippines, will further boost trade and tourism.

**Strengthen the India-ASEAN Free Trade Agreement (FTA)** – Revising the India-ASEAN FTA to address India's trade deficit and non-tariff barriers (NTBs) will enhance economic cooperation. India should push for sector-specific agreements in electronics, pharmaceuticals, and green energy where it has a competitive edge. ASEAN nations must ensure better market access for Indian goods, particularly in services, agriculture, and digital trade. Mutual recognition agreements (MRAs) for skilled professionals will facilitate greater labor mobility and knowledge exchange. India must ensure ASEAN removes discriminatory palm oil import tariffs hurting Indian exporters.

**Co-Develop Critical and Emerging Technologies** – Instead of relying on tech imports, India and ASEAN should focus on joint development in AI, quantum computing, and semiconductor fabrication. India's Digital Public Infrastructure (DPI) model (Aadhaar, UPI) can be adapted for ASEAN fintech ecosystems, ensuring digital sovereignty. ASEAN can be pursued to invest in India's semiconductor mission, reducing dependence on China-Taiwan supply chains. India should push for joint space collaborations through ISRO for disaster management and communication satellites.

**Expand Maritime Security and Defense Collaboration** – India should deepen maritime security cooperation through expanded naval exercises, intelligence sharing, and joint patrolling. Strengthening India-ASEAN Coast Guard Cooperation can help counter piracy, illegal fishing, and drug trafficking in the Indo-Pacific. ASEAN nations should be encouraged to buy Indian defense equipment (e.g., BrahMos missiles) under favorable financing models. Establishing an India-ASEAN Indo-Pacific Security Forum can create a structured mechanism for strategic dialogue.

**Foster Supply Chain Resilience through Co-Manufacturing** – India should integrate ASEAN into its Production-Linked Incentive (PLI) scheme, encouraging ASEAN firms to set up manufacturing bases in India. Co-developing alternative supply chains in semiconductors, rare earth elements, and pharmaceuticals will reduce China's dominance. ASEAN nations can be part of India's Supply Chain Resilience Initiative (SCRI) with Japan and Australia, creating diversified trade networks.

**Expand Renewable Energy and Climate Cooperation** – India should lead ASEAN in green hydrogen, solar power, and biofuels, reducing dependence on fossil fuels. Establishing India-ASEAN Green Energy Parks will promote joint investments in solar and wind power generation. Facilitating technology

transfers for EV battery production and carbon trading mechanisms will align with ASEAN's net-zero goals.

**Promote Cultural and People-to-People Exchanges** - Enhancing cultural diplomacy through mutual visa liberalization, direct flight connectivity, and educational collaborations will strengthen ties. Establishing India-ASEAN scholarships, student exchange programs, and Buddhist tourism circuits will foster greater socio-cultural engagement. India can support ASEAN's digitization of ancient manuscripts and historical archives to preserve shared civilizational heritage. The Nalanda University ASEAN Fellowship can be expanded for cultural research programs.

## Conclusion

India-ASEAN relations have evolved significantly from historical and cultural ties to a comprehensive strategic partnership. Despite challenges such as trade imbalances and differences in defense priorities, both sides have strengthened cooperation. Moving forward, addressing connectivity gaps, boosting trade, and fostering people-to-people exchanges will be crucial. India's proactive engagement with ASEAN offers opportunities for deeper collaboration.

