ASEAN- India free trade agreement: an assessment of merchandise exports and imports.

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ASEAN- India free trade agreement: an assessment of merchandise exports and imports[1].

Introduction

Association of South East Asian Nations is an association of ten member states of the south East Asia. It was formed in 1967 with the state of Indonesia, Malaysia, Philippines, Singapore and Thailand. Later, Brune, Vietnam, Laos, Myanmar, and Cambodia enrolled as members of the organisation. The ASEAN–India Free Trade Area (AIFTA) is a free trade area among the ten member states of the Association of Southeast Asian Nations (ASEAN) and India. The initial framework agreement was signed on 8 October 2003 in Bali, Indonesia. The final agreement was signed on 13th August 2009. The free trade area as per the agreement came into effect on 1 January 2010. The ASEAN–India Free Trade Area is the fruit of mutually exclusive interest of both parties to expand their economic ties in the region. India's Look East policy was reciprocated by similar commercial interests of ASEAN countries to expand westward.

India became a sectoral dialogue partner of ASEAN in 1992. India saw its trade with ASEAN increase relative to its trade with the rest of the world. Between 1993 and 2003, ASEAN-India bilateral trade grew at an annual rate of 11.2%. In 2014-15, the total volume of ASEAN-India trade was 76527 million, around 10 % of India's total trade. ASEAN's export to India was31, 812.58 million dollar and ASEAN's imports from India was 31,812.58 million dollar. Much of India's trade with ASEAN is directed towards Singapore, Malaysia, and Thailand, with whom India holds strong economic relations. The sources of India's imports are mainly Indonesia, Malaysia Singapore Vietnam and others.

The general objective of the present paper is to review the provisions in India-ASEAN FTA and merchandise exports and imports between both parties. This is expected to provide deeper insight in to the research questions about the structural transformation in exports and imports of India and ASEAN especially after the formation of ASEAN–India Free Trade Agreement. The present paper is also expected to provide an analysis about the direction of India's trade with ASEAN. This has implications upon the much discussed aspects of India's

[1] The present paper is an independent work of the author from the experience as a principal investigator of a UGC minor research Project titled "Theoretical And Empirical Study On ASEAN- India Free Trade Agreement: A Case Study Of Kerala's Plantation Sector".

Look East policy. This may also help to impartially evaluate the reasons behind stiff resistances against ASEAN-India FTA from some states in India, like the state of Kerala.

The present study is divided into five parts. The first part includes an introduction and the provisions in the agreement. Second part is dedicated to examine India's trade with ASEAN. The third part deals with the direction and composition of India's exports and imports with the ASEAN countries. The fourth part is a brief analysis of the likely impact of the FTA and the final part is the summery and conclusions.

The India- ASEAN FTA.

Applied MFN tariff rates for tariff lines placed in the Normal Track will be reduced and subsequently eliminated in accordance with the following tariff reduction and elimination schedule (ASEAN-India trade in goods agreement, 2009). Tariff lines included in the normal track are classified in to normal track (1) and Normal track (2). There is a Sensitive track and a Special product category. Besides this there is a highly sensitive list and an exclusion list. The list and provisions may be specified as below.

Table 1: Normal track (1)

	COUNTRIES	**TARIFF REDUCTION PERCENTAGE**	**DATE**
a	Brune, Indonesia, Malaysia, Singapore, Thailand, India .	100	2010 January 1 to 2013 December 31
b	Philippines, India	100	2010 January 1 to 2013 December 31
c	Ombodia, Myanmar, Laos, Vietnam	100	2010 January 1 to 2018 December 31
c	India	100	2010 January 1 to 2013 December 31

Source**:** ASEAN-India Comprehensive Economic Cooperation Agreement

Note: The Coverage of Normal track 1 is 80% of tariff lines and 75% of trade value (imports).

Table 2: Normal track (2)

	COUNTRIES	TARIFF REDUCTION PERCENTAGE	DATE
a	Myanmar, Indonesia, Malaysia, Singapore, Thailand, India.	100	2010 January 1 to 2016 December 31
b	Cambodia, Myanmar, Laos, Vietnam	100	2010 January 1 to 2021 December 31
b	India	100	2010 January 1 to 2016 December 31

Source**:** ASEAN-India Comprehensive Economic Cooperation Agreement

Table 3: Sensitive track:

	COUNTRIES	TARIFF REDUCTION PERCENTAGE	DATE
a	Brune, Indonesia, Malaysia, Singapore, Thailand, India .	Reduce to 5%	2010 January 1 to 2016 December 31
b	Philippines, India	Reduce to 5%	2010 January 1 to 2019 December 31
	a. India	Reduce to 5%	2010 January 1 to 2016 December 31
c	Cambodia, Myanmar, Laos, Vietnam	Reduce to 5%	2010 January 1 to 2021 December 31

Source**:** ASEAN-India Comprehensive Economic Cooperation Agreement

This covers 10% of the tariff lines. For these items tariffs should not to exceed 5% (fifty items). The tariffs of the rest of the items are to be reduced by 4.5 percentages, by Brune, Indonesia, Malaysia, Singapore, Thailand and India. The rest of the countries should reduce their tariffs to 4% within five years of their accession in to the treaty. The modalities for this is as follows

Table 4: Tariff Elimination Schedule.

	COUNTRIES	TARIFF REDUCTION PERCENTAGE	DATE
a	Brune, Indonesia, Malaysia, Singapore, Thailand, India .	0	2010 January 1 to 2019 December 31
b	Philippines, India	0	2010 January 1 to 2022 December 31
c	Cambodia, Myanmar, Laos, Vietnam	0	2010 January 1 to 2024 December 31

Source**:** ASEAN-India Comprehensive Economic Cooperation Agreement

Table 6: Special product category

No	Item	Tariff 2007	Tariff 2019
1.	Raw Palm oil	80	37.5
2.	Refined Palm Oil	90	45
3.	Pepper	70	50
4.	Coffee	100	45
5.	Tea	100	45

Source**:** ASEAN-India Comprehensive Economic Cooperation Agreement

Items like palm oil, pepper, coffee and tea are included in special category. It is a common perception is that there is no problem because of this. But it is maintained that the tariff level as per 2007 records cannot be kept as it is throughout the lifetime of the FTA. The basic level tariff of refined palm oil is 80% and this is expected to be reduced to 37.5 % by 2019 by reducing four percent every year. In the case of refined palm oil it is 90% and will be 45% by 2019 thereby reducing 4% every year. As far as coffee is concerned, it is hundred percent now and will be reduced by 5% to make 45% by 2019. In the case of tea this is hundred percent and is expected to reduce to 45%. For pepper it will be reduced to 50% from 70% . Now it is clear that in all of these items the basic tariff level will be reduced and will not be neither kept as it is nor increase. Then why these commodities are included in the sensitive list and not in the negative list are the questions raised by the farmers.

Table 7: Highly sensitive list.

CATEGORY	TARIFF REDUCTION
1	Reduction of applied MFN tariff rates to 50 per cent
2	Reduction of applied MFN tariff rates by 50 per cent
3	Reduction of applied MFN tariff rates by 25 per cent

Source**:** ASEAN-India Comprehensive Economic Cooperation Agreement

The period of reduction of tariff for the items in this category is not uniform. It is specified below. There is no separate for countries Heavy sensitive list for Brune, Laos, Myanmar and Singapore.

Table 8: Other Commitments

COUNTRIES	DATE
Indonesia, Malaysia, Thailand	2010 January 1 to 2019 December 31
Philipines	2010 January 1 to 2022 December 31
Combodia, Vietnam	2010 January 1 to 2024 December 31

Source**:** ASEAN-India Comprehensive Economic Cooperation Agreement

Exclusion list.

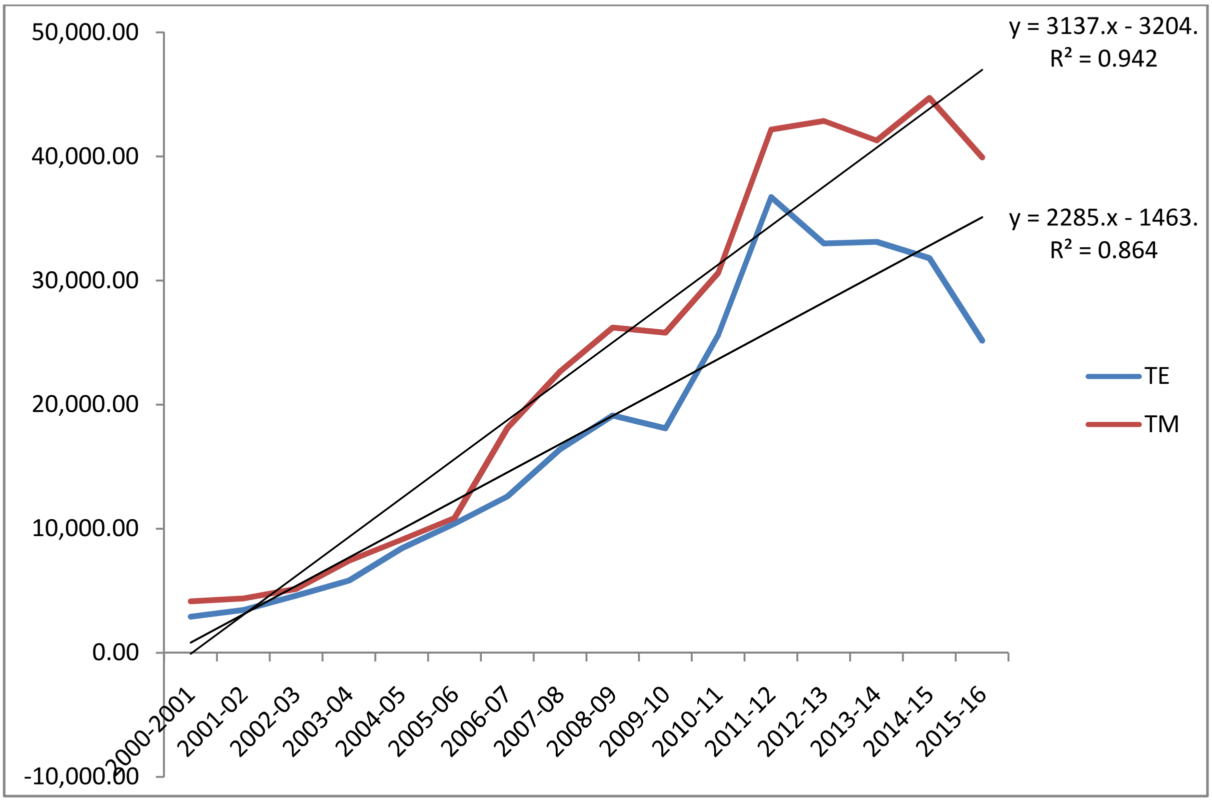
These items are to be reviewed every year and should be considered for market entry. At present there are 489 products in the negative list category. They are not included in the agreement. 489 tariff lines and not exceeding 5% trade value (imports) on bilateral basis. Malaysia has excluded 361 tariff lines. However, Malaysian exporters can export and benefit from preferential tariff for these products, provided these products are not in India's Exclusion List. But there is no guarantee that these items will remain as it is throughout the period of the agreement. If any of these items are found contrary to the interest of the free trade agreement they can be taken out from the negative list. There is provision that an inspection with regard to this has to be conducted every year. There are only very few items in the negative list on which Kerala has special stake. They include tomato, potato, onion, garlic, orange, grapes, watermelon, apple, cherry etc. Items like wine, whisky, rum; jin, vodka etc. are also there in the negative list. But none of these items are having special interest for the states like Kerala, which is a major exporter of plantation products. Many of the sea product included in the negative list are contrary to the interests of Kerala. That means that many sea products that are being freely available here could be could be freely imported. Some items of coconut are included in the negative list but majority of them are in the immediate tariff reduction category. Many of the items in the excursion category like tapioca are in the freely importable category. Of the 173 rubber products, only few products are in the negative list category. This may be the reasons for popular resistances against ASEAN India FTA from this part of the country.

India’s Trade with ASEAN.

Acknowledging this trend and recognising the economic potential of closer linkages, both sides recognised the opportunities for deepening trade and investment ties, and agreed to negotiate a framework agreement to pave the way for the establishment of an ASEAN–India Free Trade Area. This part of the present study examines India’s trade with ASEAN. The trade gap (exports minus Imports) between ASEAN has widened after the formation of customs union. This is a really disturbing phenomenon.

First of all this happens at a time when there is growing fiscal deficit and government support to key sectors are decreasing. The widening gap in export revenue and import value that is trade deficit is expected to build up twin deficit in the economy. The widening trade deficit is in line with the idea that trade liberalisation of developing countries leads to faster growth in imports compared to exports.

Fig 1, TOTAL EXPORT AND TOTAL IMPORT OF INDIA WITH ASEAN



Source: Export Import Data Bank - Ministry of Commerce and Industry

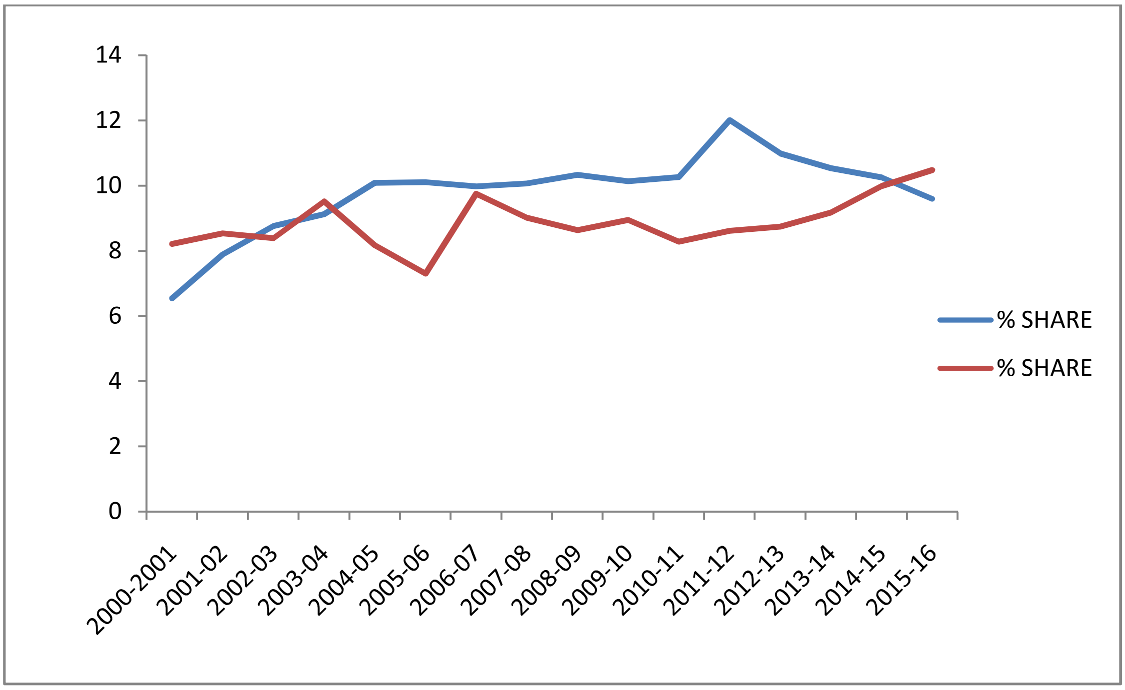
Note: TE- Total Exports and TM – Total Imports.

Secondly the export priority of India (to ASEAN) has not undergone rapid transition. India's export basket in 2000-2016 mainly consisted of primary and semi finished commodities. However, in the case of imports, import priority has undergone more transition during the period under consideration. India's import priorities included animal products and primary products in 2000 -2001. However the minerals and mineral products became predominant import items of India by 2015-16.

Thirdly, the lacks of protection on these primary products are expected to adversely affect the farming community in India. As a major part of the total exports of primary commercial products of the country come from the plantation sector of the state of Kerala, this will really affect the livelihoods and economic benefits of the farming community. None of the plantation sector products have become the leading exports items of India, even in 2015-16 period. However items like tariff line 40 (Rubber) in the two digit HS classification are major import items. This is feared to have negative implications on an economy which largely depends on the plantation sector.

These aspects are vindicated by the data on the percentage share of exports and imports during the period of analysis. These figures show that both of the shares remained more or less stagnant over the period of analysis and slightly declined after the formation of FTA.

Fig 2, TRADE GAP IN PERCENTAGE SHARE

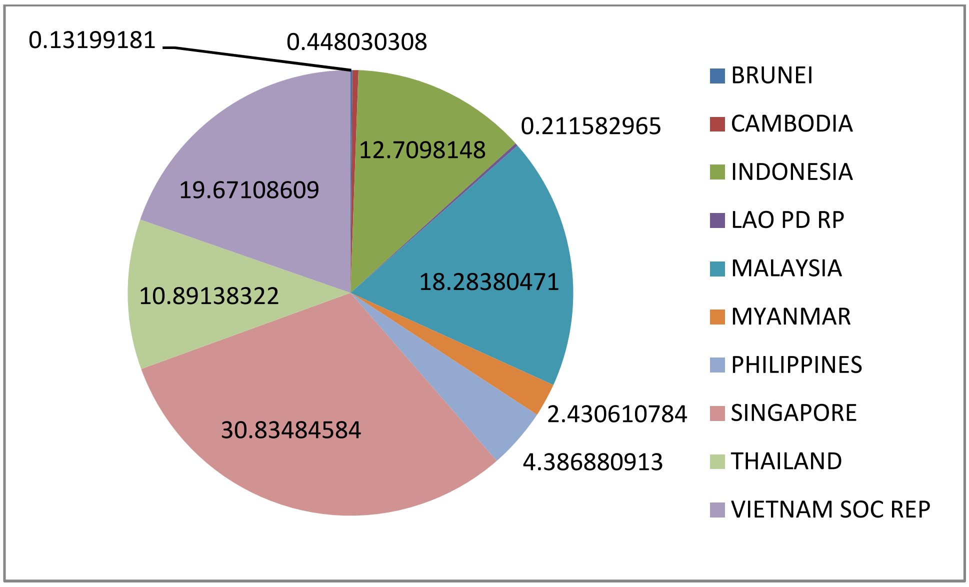


Source: Export Import Data Bank - Ministry of Commerce and Industry

Exports

The following tables explain the export profile of India with ASEAN countries. It may be seen that the exports to ASEAN is around ten percent of India's total exports. After increasing to 12 percent in 2011-12 it slightly declined to 9.59 percent in 2015-16. However an analysis of the country wise growth rate of exports shows that the growth rate of exports of India to almost all ASEAN countries shows a negative growth rate in 2014-16 periods.

Fig 3, DESTINATIONS OF EXPORTS (2014-15)



Source: Export Import Data Bank - Ministry of Commerce and Industry

India's exports to ASEAN consist of around 9 percent of the country's total exports. The following tables explain the commodity wise exports and imports of the country of the top 10 items. India's top exports items consisted of mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, meat and edible meat offal., ships, boats and floating structures, nuclear reactors, boilers, machinery and mechanical appliances; parts thereof, organic chemicals, fish and crustaceans, molluscs and other aquatic invertebrates, natural or cultured pearls, precious or semiprecious stones, pre. Metals, clad with pre. metal and articles thereof; imit. jewellery; coin, vehicles other than railway or tramway rolling stock, and parts and accessories thereof, electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts. These products are of the semi finished goods category. The product from the plantation and farm sector is no where there in the top export list of the country.

Table 1, India's export destinations within ASEAN

S.No.	Country	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	%Growth 2010-12	%Growth 2011-13	%Growth 2013-15	%Growth 2014-16
1	BRUNEI	23.07	895.49	40.02	32.45	41.99	28.45	3,781.87	-95.53	29.38	-32.25
2	CAMBODIA	66.94	99.45	112.28	141.31	142.53	143.01	48.57	12.9	0.86	0.33
3	INDONESIA	5,700.78	6,677.99	5,331.30	4,850.20	4,043.32	2,819.54	17.14	-20.17	-16.64	-30.27
4	LAO PD RP	13.11	14.97	28.91	49.89	67.31	37.94	14.21	93.1	34.9	-43.64
5	MALAYSIA	3,871.17	3,980.36	4,444.07	4,197.93	5,816.55	3,706.86	2.82	11.65	38.56	-36.27
6	MYANMAR	320.62	545.38	544.66	787.01	773.24	1,070.65	70.1	-0.13	-1.75	38.46
7	PHILIPPINES	881.1	992.91	1,187.19	1,419.00	1,395.58	1,374.23	12.69	19.57	-1.65	-1.53
8	SINGAPORE	9,825.44	16,857.71	13,619.24	12,510.54	9,809.36	7,719.81	71.57	-19.21	-21.59	-21.3
9	THAILAND	2,274.21	2,961.01	3,733.17	3,703.27	3,464.83	2,987.86	30.2	26.08	-6.44	-13.77
10	VIETNAM SOC REP	2,651.44	3,719.09	3,967.37	5,441.94	6,257.88	5,266.15	40.27	6.68	14.99	-15.85
	Total	25,627.89	36,744.35	33,008.21	33,133.55	31,812.58	25,154.50	43.38	-10.17	-3.99	-20.93
India's Total		**2,49,815.55**	**3,05,963.92**	**3,00,400.58**	**3,14,405.30**	**3,10,338.48**	**2,62,290.13**	**22.48**	**-1.82**	**-1.29**	**-15.48**
%Share		**10.2587**	**12.0094**	**10.9881**	**10.5385**	**10.2509**	**9.5903**				

Source: Export Import Data Bank - Ministry of Commerce and Industry

Table 2, Top exports of India to ASEAN (2013-14 and 2014-15)

HSCode[2]	Commodity	2013-14	2014-15
27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES.	9829.79	7566.84
2	MEAT AND EDIBLE MEAT OFFAL.	2626.13	3129.09
89	SHIPS, BOATS AND FLOATING STRUCTURES.	1695.25	1899.87
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF.	1561.72	1712.71
29	ORGANIC CHEMICALS	1726.64	1582.5
3	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC INVERTABRATES.	1216.81	1296.43
71	NATURAL OR CULTURED PEARLS,PRECIOUS OR SEMIPRECIOUS STONES,PRE.METALS,CLAD WITH PRE.METAL AND ARTCLS THEREOF;IMIT.JEWLRY;COIN.	1427.91	1231.5
87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF.	837.23	1070.05
85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS,AND PARTS.	800.26	935.39

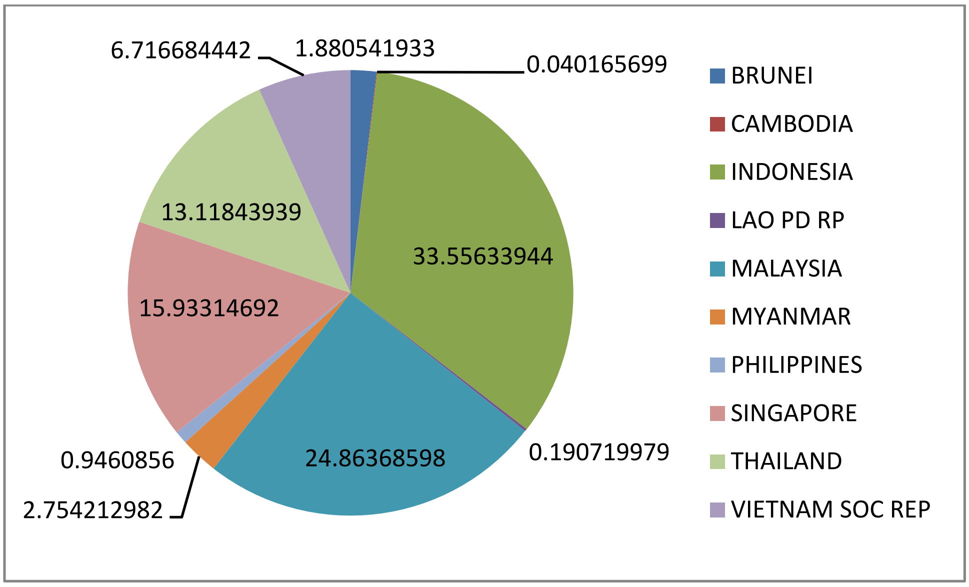
Source: Export Import Data Bank - Ministry of Commerce and Industry

[2] The **Harmonized** Commodity Description and Coding System, also known as the **Harmonized** System (**HS**) of tariff nomenclature is an internationally standardized system of names and numbers to classify traded products. The trade negotiations makes use of the HS codes at the 6 digit category which is more disaggregated, but for our analysis the 2 digit category HS classification is used.

Imports

During 2000-2001 the major export items included, natural or cultured pearls, precious or semiprecious stones, Metals, clad with Metal and articles thereof, imit. Jewellery, coin. Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof, Residues and waste from the food industries, prepared animal fodder, Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts, Organic chemicals, aluminium and articles thereof, Cotton meat and edible meat offal, Iron and steel etc, In the case of imports the major items of India's imports consisted of animal or vegetable fats and oils and their cleavage products, pre. Edible fats, animal or vegetable waxes, Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof, electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers, and parts, wood and articles of wood, wood charcoal, Organic chemicals mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes, Miscellaneous chemical products, plastic and articles thereof, Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans.

Fig 4, India's import sources from ASEAN (2014-15)



Source: Export Import Data Bank - Ministry of Commerce and Industry

Table 3, India's import sources from ASEAN

S.No.	Country	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	%Growth 2010-12	%Growth 2012-14	%Growth 2014-16
1	BRUNEI	234.17	605.02	814.8	763.6	840.88	554.02	158.37	-6.28	-34.11
2	CAMBODIA	8.01	7.27	11.9	12.72	17.96	54.43	-9.21	6.9	203.11
3	INDONESIA	9,918.63	14,765.93	14,879.49	14,748.30	15,004.64	13,131.93	48.87	-0.88	-12.48
4	LAO PD RP	0.22	89.26	138.64	39.4	85.28	180.03	40,696.57	-71.59	111.11
5	MALAYSIA	6,523.58	9,473.64	9,951.06	9,229.88	11,117.74	9,083.83	45.22	-7.25	-18.29
6	MYANMAR	1,017.67	1,381.15	1,412.69	1,395.67	1,231.54	984.27	35.72	-1.2	-20.08
7	PHILIPPINES	429.39	441.38	504	391.59	423.04	542.16	2.79	-22.3	28.16
8	SINGAPORE	7,139.31	8,388.49	7,486.38	6,762.49	7,124.47	7,308.38	17.5	-9.67	2.58
9	THAILAND	4,272.09	5,283.84	5,352.61	5,340.20	5,865.88	5,510.16	23.68	-0.23	-6.06
10	VIETNAM SOC REP	1,064.90	1,722.87	2,314.78	2,594.25	3,003.35	2,560.39	61.79	12.07	-14.75
	Total	30,607.96	42,158.84	42,866.36	41,278.09	44,714.77	39,909.60	37.74	-3.71	-10.75
	India's Total	**3,69,769.12**	**4,89,319.48**	**4,90,736.64**	**4,50,199.78**	**4,48,033.40**	**3,81,006.62**	**32.33**	**-8.26**	**-14.96**
%Share		**8.2776**	**8.6158**	**8.7351**	**9.1688**		**9.9802**	**10.4748**		

Source: Export Import Data Bank - Ministry of Commerce and Industry

Major import sources of these items are Indonesia and Malaysia. These countries are identified for their mechanised farm activities. They are more commercialised and capitalist agricultural sector. Hence they enjoy greater productivity in many of the farm based products than India. All the sources of exports of these items in which Kerala has special stake enjoy higher productivity compared to Kerala. This productivity difference is an additional incentive for the ASEAN countries to use of the provisions of the India-ASEAN FTA.

The difference in productivity may be seen from the following table.

Table 4, Productivity difference in selected items

No	Commodity	ASEAN countries	India
1.	Pepper (Vietnam)	1885	280
2.	Rubber (Thailand)	1710	820
3.	Coffee (Vietnam)	1920	839
4.	Coconut (Indonasia)	6767	1025

ASEAN countries enjoy high productivity in agricultural sector. This is due to the high importance that they give to mechanised, capitalist production mode. In the case of India agricultural sector still pursue labour intensive production setup. Kerala's agricultural sector is dominated with nominal / marginal farmers. There is no capitalist or highly capital intensive agricultural production setup. Household oriented agricultural practises are common in Kerala.

Table 5, Top imports of India from ASEAN (2013-14 and 2014-15)

HS CODE	COMMODITIES	2013-2014	2014-2015
27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES.	10419.49	11833.16
15	ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PRE. EDIBLE FATS; ANIMAL OR VEGETABLE WAXEX.	6778.08	6599.75
85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS,AND PARTS.	4211.97	4468.19
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF.	3333.39	3652.54
29	ORGANIC CHEMICALS	2683.19	2692.87
39	PLASTIC AND ARTICLES THEREOF.	1517.04	1892.29
44	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL.	1516.99	1242.94
40	RUBBER AND ARTICLES THEREOF.	1130.83	1098.67
72	IRON AND STEEL	479.83	840.49
7	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS.	626.82	819.92

Source: Export Import Data Bank - Ministry of Commerce and Industry

India - ASEAN FTA some concerns.

Less productive plantations and relatively higher labour cost are making Kerala plantations more vulnerable under the India -ASEAN free trade agreement (Association of Planters of Kerala, 2009). This is because many of the ASEAN countries with whom India has signed the agreement is far more productive than India's plantation sector. Another reason of concern is the phenomenon that Kerala's plantation sector is affected by declining productivity. For instance, in tea, the base output is around 17-35 Kgs per person in Tamil Nadu, while the same is around 16-21 kgs in Kerala. In the case of Robusta coffee, the base output per day in Karnataka is 75 kgs, while in Kerala it is 50 Kgs. Hence they have got some comparative advantage to market a product at the international level while India has a comparative disadvantage. It is pointed out that the two countries have high complementarily in many of the products, especially in tariff lines which include products from the farm level. This is mainly because almost all of the products produced in the farm sector in India are exported.

The concerns are about sectors such as plantations, fisheries and textiles that will be seriously affected by the FTA. Sectors such as tea, coffee, cashew, coconut, oil palm, rubber, spices like pepper and other plantation items are considered as facing serious threat under the agreement. As per the agreement, the import tariff of tea and coffee are expected to be brought down to 45% from the existing level of 100% and for pepper from 70 to 50% by December 31, 2019. Natural rubber, cardamom and a few tariff lines in coffee are under an exclusion list at present. There is no guarantee that they will remain in this category forever.

In spite of the plantation sector being predominantly agricultural, seasonal and labour-intensive in character, all the laws applicable to industrial labour have been extended to it. In addition, under the Plantation Labour Act, 1951, plantations are required to provide free housing and medical facilities to the workers and their families. The cost represented by these amenities, together with the social security benefits, amounts to as much as 70% of the direct wages. Daily wages for a worker in tea or coffee estate in Kerala has been fixed at Rs 115, while that for rubber estates is Rs 162. In Tamil Nadu, wages in tea estates were recently fixed at Rs101.53.

One of the major reasons for the inclusion of more sensitive items of the plantations sector is identified by the present study is the lack of organisational capability for the farmers. The farming community is not politically organised and they are not able to pressurise the government to categorise their products under the preference lists. This point can be vindicated by a quick look in to the activities of the organisations representing the non agricultural sector in India. The following table is the list of major organisations representing various industries in India. These industrial organisations pressurise the FTA formation process to get their products included in lists according to their preferred category. However the interest groups who are either not able to or have insufficient political power to pressurise the formation process like the farming community would be out from the formation process.

Table 6, Industrial organisations

NO	ORGANISATION
1.	All India Rubber Industries Association (AIRIA)
2.	Society of Indian Automobile Manufacturers (SIAM)
3.	Automotive Tyre Manufacturers Association (ATMA)
4.	Automotive Component Manufacturers Association of India (ACMAI)
5.	All India Association of Industries (AIAI)
6.	Automation Industry Association (AIA)
7.	All India Manufacturers Organisation (AIMO or TNSB)
8.	All India Resort Development Association (AIRDA)
9.	Associated Chambers Of Commerce & Industry Of India (ACCII)
10.	Mumbai Chamber Of Commerce & Industry (MCCI)
11.	Confederation Of Indian Industry (CII)
12.	Electronic & Computer Software Export Promotion Council (ESC)
13.	Electronic Component Industries Association (ELCINA)
14.	Engineering Export Promotion Council (EEPC)
15.	Federation Of Hotel And Restaurant Associations Of India (FHRAI)
16.	Federation Of Indian Chambers Of Commerce & Industry (FICCI)
17.	Federation Of Indian Export Organisations (FIEO)
18.	Indian Machine Tool Manufacturers' Association (IMTMA)
19.	India Trade Promotion Organisation (ITPO)
20.	Indian Association Of Amusement Parks & Industries (IAAPI)

21.	Indian Electrical & Electronics Manufacturers' Association(IEEMA)
22.	National Association Of Software & Service Companies (NASSCOM)
23.	Organisation Of Pharmaceutical Producers Of India (OPPI)
24.	All India Glass Manufacturers' Federation
25.	Plastic Machinary Manufacturers Association of India (PMMAI)
26.	Alkali Manufacturers' Association of India (AMAI)
27.	The Textile Association (India) (TAI)

Source: Compiled from various sources.

Summery and conclusions

The present paper was an attempt to analyse the status of India- ASEAN FTA and the usage of the same by nations within ASEAN and India. The following are the specific conclusions of the study.

The study finds that almost all ASEAN countries use the FTA route to engage trade with India. Indian export baskets have not undergone changes even after the formation of the ASEAN –India FTA, but the import baskets have undergone a structural transformation during 2000-2014 period. Also imports grew faster than exports during the period of analysis.

Major destinations of India’s exports are Malaysia, Singapore and Vietnam while major sources of imports are Indonesia, Malaysia and Singapore. Many of these countries enjoy greater productivity in agricultural sector as their farm production is incorporated in more capitalist production mode. The highly mechanised, capitalist agrarian sectors of these economies, helps them to enjoy very high productivity for their products which give them a comparative edge in international markets. Hence the argument that the agreement may impact the Indian farm sector especially the plantation sector in states like Kerala is not entirely baseless. Every agreement will be having positive as well as negative impacts on the participating countries. Given the state of affairs of the plantation sector in Kerala it has the potential to be an affected sector due to the India-ASEAN free trade agreement. Many of the ASEAN countries enjoy high productivity than India and Kerala, especially agricultural and plantation sector products. This helps those countries to market their products at the international level at much lower cost than India, and the farmers with higher cost of production are priced out. Majority of the products in which the country faces lower productivity are not covered under the preferential lists. So the concerns raised by the farmers are not baseless. Hence ASEAN India FTA will have serious impact upon the sectors and the economies that depend on the sector. Hence Kerala's concerns on the same may be validated. There is very high complementarily between India and ASEAN countries in production and the complementarily in the plantation sector is more pronounced. This is expected to reduce India's gains from trade.

The study finds that the lists are not prepared with scientific impact assessment techniques, or with wide consultations with the farming community. However the non farming community largely represented by the organisation in this field during the trade negotiations will help them to put their commodities in the lists to which they are preference towards. This helps them to be in a better position vice a vice their counterparts in the farm sector. This sectoral discrimination may lead to discrimination of some economic agents in the FTA process.

The government may asses the positive and negative impact of the agreement and may have a clear idea about the sectors which are affected and the sectors in which the agreement have made a positive impact. A detailed survey may be conducted among the stakeholders with this objective. Adequate representation needs to be given to the farmers and planters. A more comprehensive and scientific criteria should be followed for the preparation of the negative list. The industrial bodies and pressure groups should not be allowed to pressurize the preparation of negative list. The government may provide adequate price, market and other support to the domestic producers and should ensure through fiscal measures that none of them are priced out in the international market. Adequate subsidies are to be provided for raising productivity of the items in plantation sector. This is expected to help the Indian farmers to compete on a level playing field with their counterparts in ASEAN countries who enjoy higher productivity.

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