

India-ASEAN Trade Relations (2008-2018): A Decade of Redefining Bilateral Ties

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Received: 03-11-2022

Revised: 28-11-2022

Accepted: 21-12-2022

ABSTRACT

International Trade among ASEAN has been increasing and it has resulted in growth of regional trade in recent years. India and Southeast Asian Countries can be tracked from ancient time with common geographical proximity, cultural affinity, trade and investment, historical evidence have suggested there has been a flowing of trade relations between India and ASEAN. The trade between India and ASEAN has witnessed a change in the various policy reforms and trade agreements. The overall figure suggests that ASEAN is an export-oriented economy and has a great opportunity for India. India's relationship to ASEAN has created a diplomatic initiative to promote economic and strategic connections across the region. The trade with ASEAN from the year 1992 has been underperforming but India compelled to look to its neighbors for better opportunities.

Keywords: act east policy, look east policy, trade composition, harmonized goods, north east region

I. INTRODUCTION

International Trade is the subpart of economics theories that study patterns and welfare of a country. One of the oldest theories of international trade suggest that a country should grow more gold and silver reserve by encouraging more exports than imports and many nations have made development with this theory. International Trade is only a parameter and India's international trade has passed through a transition period since independence and has reached new boundaries. At end of cold war and liberalization policy in 1991 the pace of international trade increased and India has always remained as a hotspot for trade because India is bounded by natural and geographical resources the most important being international boundaries of North East India. India is the gateway to ASEAN Nations and access to South East ASEAN countries can be achieved if proper corridor is modified and upgraded. India's position is 4th in the world in terms of trade to ASEAN. But this rank can be developed and India can be a lead country in trade to ASEAN by more innovative practice and development. The weakness of India trade is they are still at infant stage when it comes to border trade with ASEAN as because the laymen concept and information about 'Act East Policy' is not implemented properly. The policy has huge scope for trade opportunities across the borders. International Trade is of strategic importance for any developing country and for a region when it comes to sharing international boundaries as it creates various opportunities and advantages to explore the resources. India has immense scope of development in the region because it has 1630 Km International boundaries. The Gateway to ASEAN Countries has directed the North East region to transform to Act East from Look East policy thereby gaining its importance in the recent times. The geographical and economical aspect of the ASEAN region has similarities with India which expected to boost both the economies and thereby lead to regional development.

Association of South-East Asian Nations was established in 1967, in Thailand by signing Declaration with its five founder member countries named: Thailand, Indonesia, Malaysia, Singapore Philippines, & Brunei joining after her Independence in 1984. Vietnam became its member in 1995. In 1997 Laos and in April 1999 Myanmar also joined whereas later Cambodia became its member, with the objective of fortifying common empathy and collaboration. Currently there are total members nations forming ASEAN are ten with ASEAN+3 Countries namely China, Japan, and South Korea under Asia Pacific Economic Cooperation(APEC).ASEAN +6 included India, Australia and New Zealand

The industrial desert in the North East region, where practically all urgent consumables are imported, makes the region special in terms of opportunities. A backdrop for the NER's development as a base for cooperation with ASEAN through Myanmar is provided by its advantageous location and abundant natural resources. Regional cooperation centered on

the NER can also be extended to the Mekong region, which includes CLMV. Foreign and domestic investors can use the NER as a strategic platform to access the SAARC, BIMSTEC, and ASEAN markets, which together make up the largest market in the world. Supply-side restrictions are impeding two-way commerce between the NER and its two neighbours. India's goods trade is likely to grow significantly in the next years as a result of FTAs, both regional and local and NER is essential to India's integration with ASEAN. (Dhar, De, Das, & Singh, 2011)

II. REVIEW OF LITERATURE

(Samsen & Chansopheap, 2005) The paper identified trade and investment between India and Cambodia with two objectives that is past and current relationship and examine the potential areas in which the relationship can be boosted into trade and long term capital flow. The study was led with three objectives first south-south cooperation in Asia, Look East Policy of India and thirdly on the economic relationship between India and Cambodia. The paper highlighted external trade and investment to Cambodia and India. Composition of Cambodian trade was highlighted from the year 1992-2002 which shows import was higher than export. The paper also stated the history of India and Cambodia's relationship in two eras which was later extended by the LEP and South-South Cooperation.

(ADB, 2014) The report evaluated SWOT Analysis of ASEAN Countries. The strength explored were strong macro and flexible economic growth with diversified export structure. ASEAN has a large inflow of foreign direct investment. It has huge strategic market and geographical potential with neighbouring countries and North East Asia. Some of the weakness are there is a huge gap between the rule of law and governance, low educational attainment and unskilled workforce and absence of regional strategy to promote sectoral development through research and development. The report also highlight the vision of ASEAN 2030 which identifies the economic aspirations, key development challenges and improvement of regional and national policies.

(EXIM, 2017) The paper explored that ASEAN is fasted growing region in the world along with CLMV which has also gained attention in global trade community and has potential for development because it cover 32% of total ASEAN geographical area and 26% of ASEAN population. Vietnam is the largest exporter and importer of commercial services among the CLMV. The economic ties and linkages, increase of trade and engagements between India and CLMV during last ten years has been increasing US\$ 1.4 billion in 2005 to US\$ 10.3 billion in 2015. The paper identified some strategies in context of ASEAN by repositioning LEP to AEP they are cooperation in Agricultural Sector, Natural Resources Development, Cooperation in Financial Services, Preparation of Indian Banks to provide opportunity to service agreement with ASEAN, cooperation in Regional Value Chains etc. EXIM Banks is the apex financial institutions which promote and support two way trade and investment between these countries.

Pangestu & Ing, (2017) the paper briefly discusses the role of ASEAN in economic integration which is resulting in developing the cycle of multilateral trade and nation-building. ASEAN is expanding to East Asia with Free Trade Agreement(FTA) and wants to be a regional production centre and make the region more competitive through global value chains. The growth of ASEAN is dominated by the growing population and greater purchasing power of the ASEAN Countries. Regional integration promotes the idea of "open accession," which enables any country to establish a cooperation with other nations, with the goal of enhancing trade. To enhance the integration of trade in commodities, services, and investment, ASEAN has signed the ASEAN and ASEAN+1 FTAs.

III. OBJECTIVES OF THE STUDY

- 1) To analyze the pattern of trade performance between India and ASEAN during two phases of Look East Policy and Act East Policy during the period 2008-2018
- 2) To study the compositional changes of bilateral trade of commodities between India and ASEAN during the period 2008-2018.

IV. RESEARCH METHODOLOGY

The study is based on secondary data and sources of data will be collected from World Bank, Asian Development Bank Institute, Websites from Cambodia, Laos, Vietnam, Myanmar Customs, External Resource Department Reports, Indian Institute of Foreign Trade (IIFT), Indian Council for Research on International Economic Relations (ICRIER), Economic and Social Commission for Asia and the Pacific (ESCAP), Organization for Economic Cooperation and Development (OECD), United Nations Conference on Trade and Development (UNCTAD), North Eastern Council, Shillong.

International Trade among ASEAN has been increasing and it has resulted in growth of regional trade in recent years. India and Southeast Asian Countries can be tracked from ancient time with common geographical proximity, cultural affinity, trade

and investment, historical evidences have suggested there have been flow of trade relations between India and ASEAN. India's engagement with ASEAN started in 1991 with implementation of Look East Policy and become full dialogue partner in 1995.

Table 1: Economic Indicator of ASEAN and INDIA

Country	Total land Area	Total Population In Millions	Gross Domestic Product (at Current Prices)	Export US \$Mn	Import US \$ Mn	Total Trade Balance	FDI Inflow US \$Mn
Cambodia	181035	151717	22340	2555	3296	5851	2732
Lao PDR	236,800	6,752.80	17,090	3,607	4,779	8,387	1,695
Myanmar	676,576	53,397.80	65,607	13,865	19,247	33,112	4,341
Vietnam	331,231	93,682.40	223,927	213,931	210,626	424,557	14,100
Brunei	5,765	429	12121	4761	3088	7849	460
Indonesia	1,913,579	262,223.40	1,013,926	168,811	156,986	325,796	23,064
Malaysia	331,388	32,049.70	317,042	217,839	195,149	412,988	9,447
Philippines	3,00,000	104,921.40	313,875	68,251	107,879	176,130	10,049
Singapore	719	5,612.30	323,954	383,252	317,693	700,946	62,017
Thailand	513,120	67,653.20	455,704	236,694	222,763	459,458	9,101
ASEAN	4,490,212	642,439.70	2,765,679	1,313,567	1,241,507	2,555,073	137,006
India	2,973,190	13,42,512.7	2,597,491	27950	41930	69890	37768

Source: National Accounts Section, United Nations Statistics Division, Asian Development Bank, Manila.

The Table 1 highlights the trade scenario of ASEAN and India in export and import for the year 2018 and it is found that ASEAN Intra and Extra trade is 30 times higher than India and resulting in a greater contribution to global value chain. The inflow of foreign direct investment was 37 percent higher than India showing the prospects and business opportunities in ASEAN. The trade between India and ASEAN has witness a change in the various policy reforms and trade agreements. The overall figure suggests that ASEAN is an export-oriented economy and has a great opportunity for India. Moreover, trade dependence and emerging relationship between India and ASEAN has increased over the period through diverse trade, investment, infrastructure, human resource development.

India's relationship to ASEAN has created a diplomatic initiative to promote economic, strategic connection across the region. The trade to ASEAN from the year 1992 has been underperforming but India compelled to look its neighbors for better opportunities. Look East and Act East are two sides of the same coin.

Table 2: Export Partner share of India- ASEAN during the period 2008-2018

Year	India's Total Exports to ASEAN Countries (US Dollar)	Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
2008	16413.52	0.07	0.22	15.96	0.01	13.77	1.49	4.81	45.24	11.35	7.08
2009	19140.63	0.09	0.28	13.68	0.02	15.61	1.22	3.89	45.56	10.32	9.33
2010	18113.7	0.14	0.23	16.78	0.15	19.69	1.16	3.9	38.15	9.56	10.24
2011	25627.88	0.09	0.28	13.68	0.02	15.61	1.22	3.89	45.56	10.32	9.33
2012	36744.36	2.52	0.26	18.55	0.04	10.44	1.32	2.92	45.3	8.02	10.9
2013	33008.21	0.1	0.34	18.65	0.08	11.74	1.63	3.47	41.97	10.7	11.33
2014	31,812.58	0.11	0.36	14.67	0.16	14.51	1.96	3.88	37.45	11.1	15.8
2015	25,133.37	0.14	0.49	14.2	0.2	14.83	2.78	4.59	30.92	10.99	20.86
2016	30,961.62	0.11	0.55	10.86	0.19	18.51	3.25	4.94	29.53	11.78	20.27
2017	34,203.70	0.14	0.41	11.87	0.09	15.88	4.33	5.59	27.88	11.23	22.58
2018	37,473.72	0.14	0.34	10.63	0.07	15.66	3	4.47	32.64	10.13	22.92
Mean		0.37	0.33	14.5	0.09	15.11	2.12	4.21	38.2	10.5	14.6
Mean (2008-13)		0.5	0.27	16.22	0.05	14.48	1.34	3.81	43.63	10.05	9.7
Mean (2014-2018)		0.13	0.43	12.45	0.14	15.88	3.06	4.69	31.68	11.05	20.49
CAGR(2008-13)		1.43	1.55	1.17	8	0.85	1.09	0.72	0.93	0.94	1.6
CAGR (2014-18)		1.27	0.94	0.72	0.44	1.08	1.53	1.15	0.87	0.91	1.45
Standard Deviation		0.73	0.11	2.78	0.07	2.63	1.06	0.75	6.99	1.04	6.01

Source: Authors calculation from UN COMTRADE statistics and Directorate General of Commercial Intelligence & Statistics since January, 2008 and until January, 2018 and //aric.adb.org/database/integration/2018

The two regions India and ASEAN shares their levels of economic development and aims to expand the international market with infrastructure developments. The economic engagements promote to launch the ASEAN-India Free Trade Agreement (AIFTA) in 2009¹ which will enhance effective utilization of the resources among the nations. The Export and Import shares of highlights the important a particular ASEAN is in terms of the overall trade profile of India. The Table 4 highlights the contribution of ASEAN in India's trade during the period 2008 to 2018 and it was found that the import partner share was higher than the export partner share. India's Trade Balance with ASEAN member nations has already highlighted the trade deficit in the trade during the period. India export and import share in Brunei, Cambodia and Lao PDR was less than 1 percent during the period and it reveals that India's trade with Brunei, Cambodia and Lao PDR have progressively fallen over the time and results in increasing competition from other countries in the region. The table 2 highlights the export share of India with ASEAN during the period 2008-2018.

In the year 2008, India's highest export partner share with Singapore it's 45.24 percent followed by Indonesia with 15.96 percent. Indonesia is the world's largest producer and exporter of palm oil and delivery highest in terms of world trade and exports from India includes petroleum products, maize, commercial vehicles, telecommunication equipment, oilseeds etc. The trade with Lao PDR is negative and there is huge scope for India to make a favorable trade with the resources. Lao PDR is a less developed economy and the country's trading is concerned the trade is limited to Metals, ores, machinery, electronic equipment, pharmaceuticals. India and Malaysia have signed Malaysia-India Comprehensive Economic Cooperation Agreement (CECA) in 2011 to cover goods, trade in services and investment across region has a mean export share of 15.11 percent during the period 2008-2018. The export share has change in the regime of Act East Policy to 3.06 percent from 1.34 percent with CAGR of 1.53 percent during the period. From the table it was analyzed that the India's export trade was mainly concentrated on Indonesia, Malaysia, Singapore and Thailand before ASEAN-India Free Trade Agreement (AIFTA) which came into effect 2010. After AIFTA, Singapore became the largest destination for Indian exports with 38.20 percent. India and ASEAN trade through AIFTA includes tariff elimination and reducing in duties. It also includes Trade in Goods Agreement and tariff commitments among the member countries indicating product wise tariff concession (Nag, 2017). Moreover, during

¹<https://www.india-briefing.com/news/india-asean-trade-and-investment-prospects-21779.html/>

the two regimes of LEP and AEP there was a difference in reduce in percent of export with of CAGR for the period 2014-2018 compared to CAGR percentage of 2008-2013. In export trade of India and CLMV percentage figures with Cambodia, Lao PDR and Myanmar has been (0.33 percent),(0.09 percent) and (2.12 percent) showing a marginal increase during the period. The Trade and linkages are growing under Act East Policy and Vietnam is closely cooperating in various regional forums with India. One of the important pillars in India-CLMV trade relations Vietnam's foreign and economic investments of India has crossed US1 Billion and Indian companies are setting their investment projects in the country (MEA, 2016). And India's trade with Vietnam has increased from 7.08 percent from 2008 to 22.92 percent in 2018 with highest trade percent of 20.49 percent.

Table 3: Import Partner share of India- ASEAN during the period 2008-2018

Year	India's Total Imports from ASEAN Countries(US Dollar)	Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
2008	22,674.81	1.11	0.1	23.02	NA	27.22	3.85	0.83	32.82	10.42	0.73
2009	26,202.96	1.22	0.02	24.09	NA	27.95	3.39	0.85	31.11	9.98	1.39
2010	25,797.96	2.04	0.02	31.71	NA	20.82	4.93	1.43	25.62	11.58	1.85
2011	30,607.96	0.7	0.03	32.71	0.07	20.23	3.79	1.33	24.5	13.3	3.35
2012	42,158.84	2.2	0.02	32.92	0.34	24.55	3.15	1.16	18.24	12.87	4.55
2013	42,866.36	1.81	0.03	35.42	0.26	22.05	3.23	0.97	16.61	12.94	6.68
2014	44,714.77	2.12	0.04	34.16	0.13	24.58	3.13	0.9	15.9	12.78	6.26
2015	39,909.60	1.46	0.1	33.49	0.34	23.03	2.45	1.25	17.81	13.61	6.46
2016	40,617.31	1.21	0.11	31.89	0.45	22.65	2.84	1.24	17.58	13.91	8.13
2017	47,133.69	1.38	0.01	22.15	NA	28.56	4.31	1.28	31.81	9.51	0.98
2018	59,321.32	1.31	0.11	35.83	0.55	19.65	1.63	1.57	15.97	14.25	9.14
Mean		1.51	0.05	30.67	0.19	23.75	3.34	1.16	22.54	12.29	4.5
Mean(2008-13)		1.51	0.04	29.98	0.11	23.8	3.72	1.1	24.82	11.85	3.09
Mean(2014-2018)		1.5	0.07	31.5	0.29	23.69	2.87	1.25	19.81	12.81	6.19
CAGR(2008-13)		1.63	0.3	1.54	NIL	0.81	0.84	1.17	0.51	1.24	9.15
CAGR(2014-18)		0.62	2.75	1.05	4.23	0.8	0.52	1.74	1	1.12	1.46
standard Deviation		0.48	0.04	5.05	0.17	3.11	0.89	0.25	6.83	1.65	3.02

Source: Authors calculation from UN COMTRADE statistics and Directorate General of Commercial Intelligence & Statistics since January, 2008 and until January, 2018 and //aric.adb.org/database/integration/2018

India's bilateral trade has been increasing steadily and ASEAN is India's largest trading partners in recent years. Since Independence various initiatives have been taken to strengthen the economic relationship between the countries but the presence of Chinese trading communities has impelled the ASEAN Countries to engage with China. But Look East Policy in 1992 and Act East policy in 2015 took the initiative to increase trade momentum with ASEAN Countries (Singh, Kumari, & Heer, 2019). Regional economic integration is an important tool to promote trade and linkage with various international markets. India's trade with CLMV countries is improving and opening door to greater Southeast Asia and creating opportunities for North East Region of India (De, 2014). For imports into India from ASEAN, Indonesia is the largest source as total imports during the year 2008-2018 with 30.67 percent import followed by Malaysia (23.75 percent) and Singapore (22.54 Percent). The total value of imports increased during the period 2008-2018 was 2.61 percent.

All ASEAN Member states are implementing AFTA with reducing tariff reduction and liberalization the import basket of the countries are expanding resulting in reducing CAGR imports partner share from Brunei, Cambodia, Lao PDR and Myanmar. As both the nations are lifting their import restriction, concessional custom duty and the member countries are increasing their market access with their harmonized products. Table 4.4 highlights that there is marginal difference in the mean value of India import share during the period LEP and AEP moreover the smaller ASEAN countries are turning biggest

source of import for India. Vietnam among ASEAN emerges as the most important source of India's with 0.73 percent import share in 2008 to 9.17 percent in 2018 with a 79 percent increase. Similarly with Indonesia where the mean imported value is 30.67 percent from 23.02 percent in 2008 to 35.83 in 2018. To bridge the gap of export with ASEAN countries India need to implement business policies and create opportunity with the skilled human resources, complementary products for greater cooperation's.

Table 4: Compositional changes of bilateral trade between India and ASEAN export all commodities 2008-2018 Top 10 Products

RANK	HS Code	Exported Product to ASEAN	Mean 2008-13	Rank	HS Code	Exported Product to ASEAN	Mean 2014-18
1	39	Plastics and articles	1.130	1	72	Iron and steel	1.184
2	61	Articles clothing accessories,	1.085	2	8	Edible fruit and nuts	1.18
3	94	Furniture	1.062	3	21	Miscellaneous edible preparations	1.15
4	87	Vehicles	1.145	4	64	Footwear	1.118
5	3	Fish	1.082	5	33	Essential oils	1.094
6	15	Animal or vegetable	1.132	6	62	Articles of clothing	1.09
7	29	Organic chemicals	1.152	7	61	Articles of apparel and clothing accessories, knitted or crocheted	1.078
8	40	Rubber	1.202	8	90	Photographic	1.072
9	72	Iron and steel	0.962	9	74	Copper and articles	1.072
10	84	Machinery,	1.010	10	88	Aircraft	1.066

Source: Authors calculation from data computed for the data obtained from Ministry of Commerce, Government of India and Export and Import Bank

With the opening up of markets and trade agreements has resulted in increasing regional integration and promoting bilateral trade across the region. The volume of trade growth is always in developing nations because of increasing competitive products for exports. A nation's composition and volume of trade determines the export performance. ASEAN comprising a population of 1.2 billion peoples and increasing growth rates with a large market. With more bilateral agreements with the trading countries ASEAN has opened up and India has a great prospect to increase the competitive advantage. India has exported ninety nine HS-2 goods to ASEAN and for the period 2008 to 2018 the average total percentage share of export to ASEAN accounted for 10 percent. It could be observed from the table that India exports 99 Harmonized goods classified by World Trade Organization during the period 2008 to 2018.

Table 4 shows the composition of exports to ASEAN from India in two folds LEP (2008-2013) and AEP (2014-2018). It shows the rank and the Percentage share of average export during 2008-2013 and 2014-2018 of twenty-five harmonized products exported to ASEAN during two phases of the given period. From the table, it was observed that there was a change in the mean value and rank of the listed HS goods during LEP and AEP. The export of (HS Goods 39) Plastics and articles thereof was ranked first during the year 2008-2013 with 1.130 followed by (HS Goods 61) Articles of clothing accessories and (HS Goods 94) Furniture with 1.085 and 1.062 percent respectively. But there was change in percentage share of average export of HS Goods on average 0.93 percent during the period 2014-2018 despite with opening up of markets and trade process with various trade agreements. The (HS Goods 72) iron and steel have the highest exported percentage 1.184 followed by (HS Goods 8) Edible fruit (HS Goods 21) miscellaneous edible preparations with 1.18 percent and 1.15 percent respectively. The Exports were high in the regime of LEP 2008-2013 because as the tariff liberalization during the India-ASEAN FTA was covering 75 percent of bilateral trade involving 4000 products of electronics, machinery, textiles etc and during the year 2013, around 800 products lowered to zero resulting free entry into the markets. ASEAN is reducing imports and focusing more on intra-regional trade through fostering regional production and through supply chains.

Table 5: Compositional changes of bilateral trade between India and ASEAN imported all commodities 2008-2018 Top 10 Products

Rank	HS Code	Product label	Mean 2008-13	Rank	HS Code	Product label	Mean 2014-18
1	71	precious or semi-precious	1.30	1	8	Edible fruit and nuts	1.16
2	21	Miscellaneous edible preparations	1.19	2	76	Aluminum	1.10
3	60	Knitted or crocheted fabrics	1.18	3	33	Essential oils	1.10
4	23	Residues and waste	1.17	4	60	Knitted or crocheted fabrics	1.09
5	27	Mineral fuels and oils	1.17	5	10	Cereals	1.08
6	8	Edible fruit and nuts	1.16	6	39	Plastics and articles	1.07
7	87	Vehicles	1.16	7	38	Miscellaneous chemical products	1.07
8	40	Rubber and articles thereof	1.16	8	90	Photographic	1.07
9	39	Plastics and articles thereof	1.13	9	30	Pharmaceutical products	1.07
10	33	Essential oils	1.13	10	3	Fish	1.06

Source: Authors calculation from data computed for the data obtained from Ministry of Commerce, Government of India and Export and Import Bank, commerce.nic.in/eidb/ecom.asp

Table 5 highlights the imports of harmonized goods from ASEAN and their ranking during the two regime of Look East Policy (2008-2013) and Act East Policy (2014-2018). It shows the rank and the Percentage share of average imports during 2008-2013 and 2014-2018 of twenty-five harmonized products exported to ASEAN during two phases of the given period. From the table, it was observed that there was a change in the mean value and rank of the listed HS goods during LEP and AEP. (HS Goods 71) precious or semi-precious stones with a mean of 1.30 percent were ranked first during the period 2008-13 followed by (HS Goods 21) Miscellaneous edible preparations and (HS Goods 60) Knitted or crocheted fabrics with 1.19 percent and 1.18 percent respectively. Similarly (HS Goods 23) Residues and waste from the food industries; prepared animal fodder, (HS Goods 27) Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral and (HS Goods 8) Edible fruit were ranked fourth, fifth and sixth with 1.17 percent and 1.16 percent respectively. Similarly, during the period 2014-2018, there was a change in rank list of the products imported from ASEAN to India which includes (HS Goods 8) Edible fruit and nuts with 1.16 percent followed by (HS Goods 76) Aluminum and articles thereof (HS Goods 33) Essential oils with 1.10 percent respectively. Both the regions have common similarities of diversified products, investment opportunities, and infrastructure with all economic engagements with expanding markets but India couldn't take the option to reduce the imports from ASEAN. India has eliminated product tariff to 75 percent and technical issues ASEAN India FTA through rules of origin allows both FTA and Non-FTA Partners including China to route cheap goods imported from ASEAN (Kapur, 2021).

V. KEY FINDINGS OF THE STUDY

- 1) India and ASEAN trade through AIFTA includes tariff elimination and reducing in duties. It also includes Trade in Goods Agreement and tariff commitments among the member countries indicating product wise tariff concession.
- 2) Moreover during the two regimes of LEP and AEP there was a difference in reduce in percent of export with of CAGR for the period 2014-2018 compared to CAGR percentage of 2008-2013.
- 3) India's trade with Vietnam has increased from 7.08 percent from 2008 to 22.92 percent in 2018 with highest trade percent of 20.49 percent.

- 4) Vietnam among ASEAN emerges as the most important source of India's with 0.73 percent import share in 2008 to 9.17 percent in 2018 with a 79 percent increase. Similarly with Indonesia where the mean imported value is 30.67 percent from 23.02 percent in 2008 to 35.83 in 2018
- 5) India has exported ninety nine HS-2 goods to ASEAN and for the period 2008 to 2018 the average total percentage share of export to ASEAN accounted for 10 percent.
- 6) The Exports were high in the regime of LEP 2008-2013 because as the tariff liberalization during the India-ASEAN FTA was covering 75 percent of bilateral trade involving 4000 products of electronics, machinery, textiles etc and during the year 2013, around 800 products lowered to zero resulting free entry into the markets.
- 7) It was observed that there was changed in the mean value and rank of the listed HS goods during LEP and AEP. (HS Goods 71) precious or semi-precious stones with mean 1.30 percent was ranked first during the period 2008-13.
- 8) India has eliminated product tariff to 75 percent and technical issues ASEAN India FTA through rules of origin allows both FTA and Non-FTA Partners including China to route cheap goods importing from ASEAN.
- 9) From North East India there is a huge opportunity to export to CLMV countries because of the listed potential products of North East India which are Wood and Handicraft Products from (Manipur), Consumers Goods(Assam) Intermediate Goods(Manipur),Foods Products (Assam, Tripura and Arunachal Pradesh),Minerals Cement, Limestone and coal (Meghalaya),Hides and Skin(Tripura),Consumer Goods(Assam).

VI. CONCLUSION

India has an untapped huge potential of deposits that need to be channelized through proper strategies and initiatives for trade prospects that will promote basic intra-regional and state connectivity allowing movements of exportable goods with less documentation across the countries. Modifying in exportable products by creating a production network can create products at international standards with innovative storage solutions and allow the private organization should be allowed to set their structure and cultivate more ideas relating to exports. This paper highlighted that India can be clustered with ASEAN because it is the gateway of ASEAN with lots of potential deposits and the most important is a strategic location and despite the fact that the pace of development in the region is slow due to various factors but the changes can be done but modifying the existing connectivity corridor as connected to international borders. There is big scope for investment in intra-regional connectivity and access the potential from the neighboring states to develop the connectivity corridor.

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