
INDIA'S TEXTILE AND GARMENT EXPORTS TO ASEAN: A PRELIMINARY ANALYSIS AT HS 6 LEVEL

Parul Bajaj¹ Anuj Sharma²

ABSTRACT

The current study analyses trade between India and ASEAN-10 in the Textile and Garment sector for the last decade. The contributing values in the period under study bring about important lines at HS 6 levels along with important ASEAN destinations in the category. Important trade lines were identified based on their value contribution from the ten year data of the DGCIS (Directorate general of commercial intelligence and statistics). These lines mentioned in the paper hold importance in the context of the ASEAN-India free trade agreement and the future prospects of mutual gain for the countries as a result of tariff cuts. There is scope of further enhancement of T & C (Textile and clothing exports) from India to ASEAN more specifically in the cotton and cotton garment sector in the traditional countries and also newer trade prospects can be seen emerging in case of Cambodia, Philippines, Vietnam and Myanmar particularly in the recent years. There is also possibility of intra industry trade prospects in the garment line with Singapore, Malaysia and Vietnam the current dominant nations in India's exports to ASEAN.

INTRODUCTION

The ASEAN India Free Trade Agreement (AIFTA) has brought with it multitude of opportunities to the Indian industry as well as challenges as it came to force on 1st January, 2010. There have been many sector specific studies focussing on the impact of agreement in the sectors of agriculture, plantation and fisheries as these are sectors which are which are labour intensive or unorganised are supposed to face the bigger challenges. The signing of the agreement was a stretched out affair and marked an important milestone in India's economic relationship with ASEAN. Since the Look East Policy adopted in the early 1990s, India's engagement with ASEAN has been on the rise. In 1992, India became a sectoral dialogue partner of ASEAN and in 1996 it became a member of the ASEAN regional forum. In 2003, India and ASEAN signed the bilateral framework agreement which spelt out the broad parameters of an agreement on trade in goods. The framework agreement suggested that the final TIG (Trade in goods) agreement would be reached by 2006.

¹ Parul Bajaj, Research Scholar, Birla Institute of Management Technology, Plot Number 5, Knowledge Park 2, NCR, Greater Noida, Uttar Pradesh - 201306. E-mail: parul.bajaj_jan14@bimtech.ac.in

² Dr Anuj Sharma, Associate Professor and Chairperson (Centre for International Business and Policy), Birla Institute of Management Technology, Plot Number 5, Knowledge Park 2, NCR, Greater Noida, Uttar Pradesh - 201306. E-mail: anuj.sharma@bimtech.ac.in