

Impact of ASEAN India Free Trade Agreement (AIFTA) on India's HS-85 (Electrical Goods) Exports

Key words: Trade, ASEAN, India, Export, Tariff, Electrical Goods, Sectoral Trade

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ABSTRACT

The trade agreement in goods between India and ASEAN became operational in January, 2010. The paper attempts an enquiry into the Tariff concession given to India by the ASEAN countries in the electrical goods sector and also attempts to identify product lines at HS 4 levels sub segments in the same where there could be possibility for the exports to increase due to tariff cuts in the significant product categories as the two regions become more important trading partners in times to come. The paper will also give an overview of the tariff cuts in the identified tariff lines given by the ASEAN nations to India.

INTRODUCTION

ASEAN (Association of South East Asian Nations) - ASEAN is the name given to the regional grouping of the south-east Asian nations which was established through the signing of ASEAN declaration on 8 August 1967 in Bangkok. Thailand along with Indonesia, Malaysia, Philippines and Singapore became the founding

members. The nations shared some common history, a colonial past which warranted an independence from their masters and a mutual feeling of growing interdependence which was further accentuated by the ASEAN crisis.¹ Intra-ASEAN trade was not observed during the early period of establishment till the late 70's.² It was in the 1980s and the first half of 1990s that some growth in trade and investment became notable. Before the formation of the free trade area, at the ministerial meeting in Bali, the member states signed the Treaty of Amity and Cooperation in Southeast Asia followed by a summit meeting in 1992 when they agreed for a regional integration in trade. ASEAN was established as a free trade area in 1992 with the signing of the Singapore declaration. The primary intent was to increase the competitiveness of the region, exploitation of economies of scale, the ultimate goal being reduced tariffs between zero to five percent by 2008 which was also the basis of the Common Effective Preferential Tariff (CEPT) scheme. This applied to all products from ASEAN with at least 40% ASEAN content. The 10 ASEAN members present a vibrant and dynamic picture; Singapore is

1. This took place in the year 1997 and gripped much of East Asia raising fear of worldwide crisis.
2. ASEAN statistical yearbook

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