

Printed from

THE TIMES OF INDIA

## Indo-Asean trade rises 10% to \$72bn in FY17, but is long way off potential

TNN | Jan 26, 2018, 02:40 AM IST



NEW DELHI: Trade and economic ties between India and the 10-nation Asean+ (Association of Southeast Asian nations) have enormous potential but needs more work to realise the gains. Two-way trade between India and Asean+ moved up to \$71.6 billion in 2016-17 from \$65.1 billion in 2015-16 (over 10% increase).

[Watch: India to host 10 guests on Republic Day](#)

In contrast, two-way trade between China and Asean stood at \$452.31 billion in 2016 while its exports to Asean totalled \$256 billion, according to industry data. "Full trade potential and product integration to be realised, facilitation of business to business connections, information flow,

harmonisation and mutual recognition of standards as well as removal of non-tariff barriers are crucial," said a paper prepared by industry lobby group CII.

### GROWTH OPPORTUNITY

Country	TOTAL EXPORT		TOTAL IMPORT	
	2016-17	2017-18 (Apr-Oct)	2016-17	2017-18 (Apr-Oct)
Brunei	42.88	29.88	627.85	286.56
Cambodia	105.06	64.15	36.10	29.68
Indonesia	3488.12	1982.48	13,427.99	9,402.25
Laos	25.72	11.24	207.38	125.27
Malaysia	5,244.86	2,788.34	8,933.59	5,211.17
Myanmar	1,107.89	511.19	1,067.25	540.28
Philippines	1,482.52	900.85	494.62	465.15
Singapore	9,564.48	5,623.90	7,086.57	4,038.78
Thailand	3,133.44	1,978.47	5,415.40	3,916.55
Vietnam	6,786.56	4,236.23	3,320.56	2,573.23
<b>Total</b>	<b>30,961</b>	<b>18,126.72</b>	<b>40,617.31</b>	<b>26,588.92</b>
<b>India's Total</b>	<b>275,851.71</b>	<b>166,469.58</b>	<b>384,355.55</b>	<b>257,527.60</b>
<b>% share</b>	<b>11.22</b>	<b>10.88</b>	<b>10.56</b>	<b>10.32</b>

All figures in \$ million

Experts said they expected major gains to follow as part of India's engagement with Asean. "With 644 million population and combined GDP of \$2.7 trillion, Asean is a large economy. It also enjoys annual per capita income of \$4,200. If you combine India and Asean, you have a \$5 trillion economy, third largest in the world after the US and China. Seen this way, India and

Asean are extremely important for each other," said Arvind Panagariya, professor at Columbia University and former Niti Aayog vicechairman.

Panagariya said he hoped India would move towards completing the negotiations for RCEP (Regional Comprehensive Economic Partnership). "If this is done, we can count on Asean countries turning even more important for us," he said. But some experts said a more focussed approach was needed to realise the full potential. "India-Asean trade and economic ties have great prospects. However, in spite of having an implemented Free Trade Agreement (FTA), the ties have not progressed to offer the intended fruits yet.

There have been negligible effects of the India-Asean FTA on trade flows between India and the Asean countries as a group. Trade and economic relations have fostered with countries in Asean with which we have bilateral FTAs," said Deeparghya Mukherjee, assistant professor of economics at IIM, Nagpur.