

Regional Comprehensive Economic Partnership Future & India

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Abstract – Regional economic integration and regional cooperation can contribute significantly towards strengthening the three sets of factors: the macroeconomic environment; social policy, particularly in sectors related to human development, such as education, health and nutrition; and the microenvironment that governs the empowerment of people and community participation that promote human development. Regional economic integration is both a process and a state of affairs. This paper is an attempt to try to discuss the regional economic, political etc. prospective of Asian region countries.

The Regional Comprehensive Economic Partnership (RCEP) was introduced during the 19th Asean meet held in November 2011. The RCEP negotiations were kick-started during the 21st Asean Summit in Cambodia in November 2012. In 2017, the 16 prospective signatories (including India) accounted for a population of 3.4 billion people with a total Gross Domestic Product (GDP) of \$49.5 trillion, about half of the world population and 39 percent of the world's GDP.

The RCEP is a proposed free trade agreement in the Asia-Pacific region between the ten member states of the Association of South-East Asian Nations and their six FTA partners.

Key Words- RCEP, ASEAN, FTAs, India

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INTRODUCTION

This is the season for regional-integration initiatives in Asia. There is talk of region-wide FTAs, and there are east-Asian initiatives on financial and monetary cooperation. But grand visions for Asian regional blocs are not achievable. Regional economic integration is most developed in Asia, but only because of manufacturing supply chains linked to global markets.

Asian countries try to solve their trade problem via FTAs, association and cooperation etc. & one of them is RCEP. RCEP aims to create an integrated market with countries, making it easier for products and services of each of these countries to be available across this region. The negotiations are focused on the following: Trade in goods and services, investment, intellectual property, dispute settlement, e-commerce, small and medium enterprises, and economic co-operation.

RCEP negotiations will follow eight principles: (1) consistency with the WTO; (2) significant improvements over the existing ASEAN+6 FTAs; (3) facilitation of trade and investment; (4) flexibility (e.g., special and differential treatment) to the least developed AMSs; (5) continuation of existing FTAs;

(6) open accession clause; (7) technical assistance and capacity building to the developing and least-developed countries; and (8) parallel negotiation.

Associate Members/Countries/Partners

Any one of the external economic partners, such as in nations Central Asia, South Asia and Oceania becomes its member.

1. Ten members of ASEAN

Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam

2. Six FTAs Partners

South Korea, China, Japan, India, New Zealand, and Australia

HISTORY:

Year 2011-12

- August 2011, East Asia Summit Economic Ministers welcomed a Chinese and

Japanese joint Initiative on Speeding up the Establishment of EAFTA and CEPEA.

- During the 19th ASEAN Summit held 14–19 November 2011, the Regional Comprehensive Economic Partnership (RCEP) was introduced.
- The 44th ASEAN Economic Ministers (AEM) Meeting and Related Meetings were held in Siem Reap, Cambodia, 25 August – 1, September 2012.
- Leaders at the 21st ASEAN Summit held 18–20 November 2012 in Phnom Penh, Cambodia endorsed the framework of RCEP and announced the launch of their negotiations.

Year 2013-14

- The first five rounds of RCEP negotiation was held on different place.
- The sixth round of RCEP negotiation and related meetings was held on December 1–5, 2014 in New Delhi, India.

Year 2015-17

- Next fourteen rounds (seven to twenty) of RCEP was also held on different place on many dates.
- The first RCEP summit was held on Nov 14, 2017 in Manila, Philippines.

Year 2018-19

- Upto twenty five rounds of RCEP was held on different countries.
- The twenty-sixth round will be schedule on July 3, 2019 in Melbourne, Australia.
- The third RCEP summit will be schedule on October 31 to Nov 3, 2019 in Thailand with 35th ASEAN summit on same day.

SUBJECTS :

1. The RCEP
2. India
3. FTAs

ANALYSIS:

1. Economic and Trade Profile of ASEAN+6 Countries

The annexure-1 at the end of the paper provides the economic and trade profile of ASEAN countries and its six FTA partners. In terms of land area China, Australia and India are the large economies where China, India and Indonesia are the most populous countries in the group. In terms of GDP size, China is by far the largest economy with 11 trillion US \$ in 2015 followed by India which is a 2.9 trillion economy. Australia got the highest per capita income followed by New Zealand and Japan. India and China are the fastest growing economies among bigger countries. FDI inflows into China is way high with 133 billion US dollars followed with India at 44 billion dollars in 2015. Trade GDP ratio is highest in Singapore as trade is almost three times the GDP of Singapore.

2. Trade by ASEAN+6 Countries

Singapore is the dominant country in the ASEAN region with regard to international trade. Singapore is having an export of 346 billion US Dollars and imports worth 296 billion dollars with a trade surplus of 46 billion US dollars. Thailand, Malaysia, Vietnam and Indonesia are the other important ASEAN countries having larger trade share in the region. With regard to services also Singapore plays a dominant role.

See Annexure-2

3. Top 5 Trade Partners of India ASEAN+6 Countries

The table gives the top five exports and import partners of ASEAN countries and its six FTA partners. With regard to Brunei, the top export and import partners are primarily from the Asian region with Japan is the major export destination where Malaysia is the largest import partner. For almost all countries, China is the largest import partner. For Indonesia, Myanmar, Singapore, Australia, Korea and New Zealand, China is the largest export and import partner. The table shows for most of the ASEAN plus countries the large proportion of trade happening among themselves.

See Annexure-3

4. ASEAN Plus US Export Share

The Annexure-4 shows the intra-regional export share of ASEAN six countries. China, Japan and Korea are the largest trade partners of Australia. China is having larger export share with Japan. China, Japan, India and Singapore are the important export destination of Indonesia. India does not enjoy large export share with the ASEAN

plus region. For Japan, China is the large export market followed by Korea. More than one-fourth of Korea's export is going to China only. For Malaysia, China and Singapore are the important trade partners followed by Japan. For New Zealand, Australia and China are important while Singapore is having larger export share with China and Malaysia. China and Japan are the important export destination for Thailand whereas China, Japan and Korea are important for Vietnam.

5. ASEAN Plus Import Share

Australia's imports are coming mainly from China and Japan. Malaysia is the largest import partner of Brunei. China's largest import partner from the region are Korea and Japan. India imports substantially from China. Indonesia imports large share from China, Singapore Japan, Korea and Malaysia. One-fourth of the Japanese imports are coming from China. Imports from China are dominant in ASEAN countries and the FTA partners of ASEAN.

See annexure-5

6. India's trade with ASEAN Plus Countries

India's exports to ASEAN increased from U.S. \$ 10.41 billion in 2005-06 to U.S. \$ 25.20 billion in 2015-16 and imports over the same period quadrupled from U.S. \$ 10.81 billion in 2005-06 to U.S. \$ 39.84 billion. This reflects a compound annual growth rate (CAGR) of about 9.2 percent in exports to the ASEAN region and close to 14 percent per annum growth in imports during 2005-06 to 2015-16. Concomitantly, India's trade deficit with the ASEAN surged from US\$0.5 billion in 2005-06 to US\$14.6 billion. In terms of market share, the share of imports in India's total imports from ASEAN went up from 7.3 percent in 2005-06 to 10.5 percent in 2015-16, over the same period share of exports to ASEAN in India's total exports fell from 10.1 percent to 9.6 percent. With regard to India's trade with individual countries of the region, India runs in to trade deficit with major countries of southeast Asia. With regard to ASEAN plus countries, India has a trade deficit of 88 billion dollars of which China alone accounts 52 billion dollars. India also has trade deficits with Australia (6.15 Bn. \$), Indonesia (11 Bn. \$) Korea (9.48 Bn. \$), Japan (5.10 Bn. \$), Malaysia (4.67 Bn. \$). India got trade surplus with Vietnam (2.68 Bn. \$) and a marginal trade surplus with Cambodia, Philippines and Singapore.

See Annexure-6

7. Impact of India ASEAN Plus FTA - SMART Simulation Analysis

The economic impact of proposed India-ASEAN plus Free Trade Agreement is analysed using World Integrated Trade Solutions (WITS) tool. WITS is a data extraction and tariff simulation software using

databases maintained by UNSD COMTRADE, UNCTAD TRAINS, and WTO IDB/CTS. The SMART simulation model of the WITS allows users to estimate the partial equilibrium impact of tariff reductions for a single market at a time. WITS simulation is largely used to simulate the impact of preferential trade agreements. This simulation involves two aspects. First, a database has to be extracted to conduct simulation exercise. Secondly, simulation parameters are defined to get the impact of a tariff cut arising out of a Free Trade Agreement (FTA).

The simulation exercise for the study used bilateral trade data between India and ASEAN plus countries for the year 2015. India is cutting tariff and the beneficiary Countries are ASEAN and its five FTA partners. Tariff cut is done across the board and all products are affected by that. Since the attempt is to understand the impact of FTA, the new tariff rate is kept at zero percent. There arise five results from the simulation exercise. They are total trade effect, export effect on partners, effect on average duty, welfare effect and tariff revenue effect.

When India initiates 100 percent tariff cut against ASEAN plus countries as part of the Free Trade Agreement, they gain access to the Indian market and the exports to India will increase substantially. Annexures provides changes in the exports of 10-member ASEAN countries and five FTA partners of ASEAN due to 100 percent tariff reduction by India. The biggest trade gains are arising to countries against which the tariff cuts are effected by India. China gains most with an increase of 13.52 billion (22.49 percent), followed by Malaysia, a (4.74 billion\$), Korea (3.36 billion \$), Thailand (2.19 billion) and Japan (2.18 billion US\$). The countries which are losing most from India ASEAN plus FTA is Indonesia (2.77 billion), US (532 million), Germany (523 million), Italy (180 million). Interestingly, Indonesia which is an FTA partner is losing out a substantial trade to other members of the ASEAN plus group.

The simulations show that India's imports will increase by 23.58 billion if the FTA is signed with ASEAN plus countries. Because of the elimination of tariffs with ASEAN plus countries, there will be a reduction in customs duty to the tune of 19.3 billion US dollars. Because of the reduction in tariff and the consequent reduction in prices, there will be a consumer surplus to the tune of 1.92 billion US \$.

The total trade effect of India ASEAN plus FTA is 23.58 billion US \$ of which the trade creation effect is 12.58 billion US\$ and the trade diversion effect is only 79 dollars the total welfare effect is to the tune of 2.22 billion US\$. This showed that the India ASEAN plus is a highly trade creation FTA with no

trade diversion and substantial welfare improvement.

See Annexure-7, 8 and 9

CONCLUSION:

The simulation exercise showed that India's import from ASEAN plus countries will substantially increase if the FTA comes into existence. China which enjoys a huge trade surplus with India will further improve its trade performance and increase the trade balance. India's advantage will be primarily in the services sector and it is better to complete the comprehensive trade agreement which includes trade, services and investment. Also, protection of sensitive product categories with higher Rules of Origin (RoO) support is necessary. India's experiences with the existing FTAs is not very encouraging. India should ensure its concerns addressed before signing the FTA. Already China is pressurising ASEAN to go ahead the agreement without India. This kind of Chinese hegemony should be resisted and an institutional framework should be created for the success of RCEP.

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Annexure-1

Economic and Trade Profile of ASEAN+6 Countries, 2016

Indicators	Burma	Indonesia	Philippines	Malaysia	Myanmar	Thailand	Vietnam	Australia	China	India	Japan	Korea	New Zealand
Land Area (km ²)	5170	176230	3411570	330800	601680	513880	331700	7692000	9600000	3287263	377837	100483	268387
Population (million)	6.423	255.578	101.031	63.897	73.897	65.604	73.897	22.509	1382.323	1326.802	126.324	50.504	4.545
GDP (Millions Current US\$)	29230	108050	361934	12585	296284	62601	292449	292734	395168	193241	1270596	11382057	2274980
GDP Per Capita (Current US\$)	4565	423	3676	197	4016	964	4565	1296	2961	1828	1456	228	5016
Year %	4.55	7.04	6.79	7.56	6.97	7.29	5.90	2.81	1.83	6.68	2.40	6.70	1.0
Current A/C Balance (%GDP)	33.26	4.38 (e)	22.02	-18.88	7.78 (e)	7.30	2.82	20.12	8.08	8.47	-2.96	1.06	0.09
Exchange Rate (\$)	1.375	1406.75	133894	8147.91	12.17 (e)	1162.615	85.503	1.375	34.28	21497.60	1.345	8.644	67.195
FDI Inflows (M\$)	373.24	1700.97	15508.16	1219.82	11121.50	2024.00	6234.83 (e)	65262.40 (e)	10844.64	11800.00	48190.25	33700.00	44485
FDI Outflows (M\$)	507.94	47.46	3249.62	1.13	9899.50	5601.94 (e)	35485.04 (e)	7776.24	1180.00	4011.70	183100.00	5120.27	145242.43
Personal Remittances (%GDP)	2.20	1.10	0.74	5.11	10.05	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33
Trade Balance (%GDP)	8.28(e)	-2.77 (e)	8.83 (e)	-5.86 (e)	7.78 (e)	12.10	-5.85	27.32	11.38 (e)	1.59 (e)	-0.75	2.19	-3.49
Trade Balance (% Imports)	24.60	10.12 (e)	4.38 (e)	-17.48 (e)	12.17 (e)	14.50	-19.63	73.96	19.54 (e)	1.82 (e)	-1.73	12.81	-15.57
Trade (% of GDP)	84.90	126.95	17.39	128.08	142.79	84.90	118.42	126.59	176.77	89.95	87.06	89.81	85.59

Source: UNCTAD & World Bank

Annexure- 2

Merchandise trade and services by ASEAN and its FTA Partners, 2015 (Million US \$)

Countries	Merchandise			Services		
	Exports	Imports	Balance	Exports	Imports	Balance
Brunei	6,353	3,229	3,124	577 (e)	2,225 (e)	-1,648 (e)
Cambodia	8,542	12,615	-4,073	3,943 (e)	1,907 (e)	2,36 (e)
Indonesia	150,366	142,695	7,672	21,891 (e)	30,384 (e)	-8,493 (e)
Laos	2,769	5,233	-2,464	810 (e)	566 (e)	244 (e)
Malaysia	199,158	176,011	23,147	34,844 (e)	40,044 (e)	-5,200 (e)
Myanmar	11,429	16,885	-5,456	4,212 (2014)	2,602 (2014)	1,609 (2014)
Philippines	58,827	70,153	-11,326	28,167	23,924	4,244
Singapore	346,638	296,745	49,893	139,611	143,469	-3,858
Thailand	214,352	202,654	11,698	60,543 (e)	50,779 (e)	9,864 (e)
Vietnam	162,107	166,103	-3,996	11,200 (e)	15,501 (e)	-4,300 (e)
Australia	190,271	196,150 (e)	-5,879	53941	56532	-2,590
China	2098,161	1587,431	510,730	208,488	453,014	-244,526
India	264,020	359,065	-95,045	161,845 (e)	133,710 (e)	28,135 (e)
Japan	644,933	606,927	38,006	173,821	184,710	-28,135
Korea	495,426	406,192	89,234	92,828	110,436	-17,608
New Zealand	33,699	36,067	-2,368	14,886 (e)	11,967 (e)	2,919 (e)

Source: Extracted from WITS, World Bank

Annexure-3

Top 5 Trade Partners of ASEAN Plus economies for the year 2016.

Brunei (2015)	Top 5 Export Partners	Japan	Rep. of Korea	India	Thailand	Other Asia
	Top 5 Import Partners	Malaysia	Singapore	China	US	Korea
Cambodia	Top 5 Export Partners	US	UK	Germany	Japan	Canada
	Top 5 Import Partners	China	Thailand	Vietnam	Other Asia	Singapore
Indonesia (2016)	Top 5 Export Partners	China	US	Japan	Singapore	India
	Top 5 Import Partners	China	Singapore	Japan	Thailand	US
Laos	Top 5 Export Partners	Thailand	China	Vietnam	India	Japan
	Top 5 Import Partners					
Malaysia	Top 5 Export Partners	Singapore	China	US	Japan	Thailand
	Top 5 Import Partners	China	Singapore	Japan	US	Thailand
Myanmar	Top 5 Export Partners	China	Thailand	India	Singapore	Japan
	Top 5 Import Partners	China	Singapore	Thailand	Japan	India
Philippines	Top 5 Export Partners	Japan	US	Hong Kong	China	Singapore
	Top 5 Import Partners	China	Japan	US	Thailand	Korea
Singapore	Top 5 Export Partners	China	Hong Kong	Malaysia	Indonesia	US
	Top 5 Import Partners	China	Malaysia	US	Other Asia	Japan
Thailand (2015)	Top 5 Export Partners	US	China	Japan	Hong Kong	Malaysia
	Top 5 Import Partners	China	Japan	US	Malaysia	UAE
Vietnam (2015)	Top 5 Export Partners	US	China	Japan	Korea	Hong Kong
	Top 5 Import Partners	China	Korea	Japan	Other Asia	Thailand
Australia	Top 5 Export Partners	China	Japan	Korea	US	India
	Top 5 Import Partners	China	US	Japan	Thailand	Germany
China	Top 5 Export Partners	US	Hong Kong	Japan	Korea	Germany
	Top 5 Import Partners	Korea	Japan	Other Asia	US	Unspecifie d
India	Top 5 Export Partners	US	UAE	Hong Kong	China	UK
	Top 5 Import Partners	China	US	UAE	Saudi	Switzerland
Japan	Top 5 Export Partners	US	China	Korea	Other Asia	Hong Kong
	Top 5 Import Partners	China	US	Australia	Vietnam	Other Asia
Korea	Top 5 Export Partners	China	US	Hong Kong	Vietnam	Japan
	Top 5 Import Partners	China	Japan	US	Germany	Other Asia
New Zealand	Top 5 Export Partners	China	Australia	US	Japan	Korea
	Top 5 Import Partners	China	Australia	US	Japan	Germany

Source: Extracted from WITS, World Bank

Annexure-4

Export Share of ASEAN Plus Countries for the year 2015

		Exporting Nations													
		AUS	BRU	CHN	INDO	IND	JPN	KOR	LAO	MYAN	MAL	NZ	SIN	THA	VIE
AUS	0.00	3.49	1.77	2.46	1.23	2.06	1.03	2.06	0.11	0.05	1.80	15.98	3.32	4.50	1.79
BRU	0.02	0.00	0.06	1.06	0.01	0.02	0.02	0.05	0.00	0.01	0.34	0.01	0.22	0.05	0.02
CHN	32.49	1.52	0.00	10.01	3.62	17.49	4.75	26.03	34.82	39.61	13.02	18.32	13.76	11.05	10.23
INDO	1.99	1.62	1.51	0.00	1.09	1.85	0.17	1.49	0.01	1.24	0.73	1.72	8.18	3.85	1.70
IND	4.23	9.06	2.56	7.80	0.00	1.30	0.12	2.28	1.11	8.31	4.06	1.35	3.06	2.47	1.52
JPN	15.88	36.35	5.97	11.98	1.71	0.00	6.69	4.86	1.66	3.99	9.46	6.29	4.39	9.37	8.70
KHM	0.02	0.00	0.17	0.29	0.05	0.05	0.00	0.12	0.58	0.00	0.12	0.02	0.28	2.31	1.48
KOR	7.08	15.63	4.46	5.10	1.37	7.04	1.01	0.00	0.21	2.40	3.23	3.32	4.18	1.91	5.50
LAO	0.01	0.00	0.05	0.01	0.02	0.02	0.06	0.03	0.00	0.00	0.01	0.00	0.02	1.98	0.32
MMR	0.06	0.00	0.42	0.41	0.33	0.17	0.02	0.13	0.01	0.00	0.39	0.06	0.71	1.95	0.23
MYS	1.82	4.62	1.93	5.07	1.85	1.92	1.57	1.47	0.20	1.52	0.00	1.99	10.89	4.75	2.21
NZL	3.33	5.23	0.22	0.29	0.12	0.34	0.07	0.24	0.02	0.01	0.51	0.00	0.50	0.62	0.20
PHL	0.02	0.39	1.17	2.61	0.49	1.52	0.20	1.58	0.08	0.10	1.69	1.36	1.85	2.80	1.24
SGP	2.71	3.50	2.28	8.40	2.95	3.18	1.69	3.85	1.19	5.50	13.91	1.71	0.00	4.07	2.01
THA	1.73	8.44	1.68	3.06	1.18	4.48	1.05	3.21	32.77	22.54	5.70	1.65	3.97	0.00	1.86
VNM	1.39	0.74	2.50	1.82	2.03	2.01	1.17	8.37	18.02	12.52	2.25	1.10	3.50	4.10	0.00
WLD	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Computed based on data extracted from WITS

Annexure-5

Import Share of ASEAN Plus Economies for the year 2015

		Importing Nations														
		AUS	BRN	CHN	IND	IND	JPN	KHM	KOR	LAO	MMR	MYS	NZL	SGP	THA	VNM
AUS	0.00	1.36	4.79	3.38	2.41	5.56	0.29	3.77	0.37	0.34	2.55	11.91	1.08	2.11	1.22	
BRN	0.15	0.00	0.01	0.09	0.10	0.37	0.00	0.22	0.00	0.00	0.08	1.00	0.05	0.30	0.03	
CHN	33.22	10.43	0.00	20.63	15.77	25.67	36.95	20.68	18.08	38.05	18.87	19.46	14.29	20.52	29.82	
IND	2.11	2.67	1.29	0.00	3.56	3.10	3.16	2.03	0.23	3.47	4.53	1.75	4.84	3.28	1.65	
INDO	1.80	1.13	0.87	1.92	0.00	0.78	1.07	0.97	0.38	2.80	2.21	1.15	1.94	1.31	1.00	
JPN	7.42	7.41	9.30	9.30	2.47	0.00	3.98	10.51	1.91	9.08	7.82	6.57	6.27	15.61	8.55	
KHM	0.00	0.00	0.01	0.01	0.01	0.15	0.00	0.03	0.01	0.00	0.09	0.03	0.05	0.32	0.57	
KOR	5.47	9.06	11.36	5.91	3.32	4.29	4.33	0.00	1.28	2.44	4.52	3.70	0.14	3.52	16.64	
LAO	0.00	0.00	0.01	0.00	0.01	0.02	0.19	0.01	0.00	0.00	0.00	0.01	0.00	0.73	0.35	
MMR	0.02	0.01	0.33	0.11	0.26	0.14	0.01	0.12	0.00	0.00	0.10	0.01	0.04	1.78	0.03	
MYS	3.71	21.13	3.47	5.98	2.45	3.44	1.76	1.97	0.32	3.13	0.00	3.35	11.14	5.95	2.52	
NZL	2.87	0.15	0.43	0.45	0.14	0.38	0.04	0.28	0.04	0.10	0.44	0.00	0.24	0.30	0.23	
PHL	0.28	0.26	1.23	0.48	0.13	1.42	0.09	0.74	0.02	0.12	0.95	0.26	1.53	1.18	0.54	
SGP	3.49	14.00	1.80	12.64	1.89	1.26	4.74	1.82	0.21	21.65	11.98	3.47	0.00	3.60	3.64	
THA	5.12	3.75	2.42	5.67	1.85	3.47	14.70	1.11	58.82	11.58	6.09	4.16	2.62	0.00	4.99	
VNM	1.68	1.18	1.94	2.22	0.64	2.42	8.71	2.51	13.84	1.59	2.75	1.17	1.21	2.02	0.00	
WLD	100.00	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

Source: Computed based on data extracted from WITS

Annexure-6

India's Trade with ASEAN Plus Economies

Partner Name	Export Value (Million \$)	Import Value (Million \$)	Trade Balance (Millions \$)
ASEAN plus	47710.76	135805.34	-88,094.58
FTA partners			
Australia	3252.81	9411.87	-6,159.05
Brunei	30.39	607.78	-577.39
China	9576.58	61604.43	-52,027.85
Indonesia	2868.88	13902.02	-11,033.14
Japan	4529.72	9635.16	-5,105.44
Cambodia	145.35	42.99	102.36
Korea, Rep.	3609.63	13087.66	-9,478.02
Lao PDR	51.26	142.95	-91.69
Myanmar	859.97	1016.30	-156.33
Malaysia	4892.06	9559.92	-4,667.86
New Zealand	313.90	549.84	-235.94
Philippines	1304.35	518.19	786.16
Singapore	7805.08	7395.99	409.09
Thailand	3113.56	5650.14	-2,536.58
Vietnam	5357.21	2680.09	2,677.12
World	264,381.00	390,744.73	-126,363.73

Source: Data extracted from WITS

Annexure-7

Major Gainers from India ASEAN Plus FTA – SMART Simulation

Partner Name	Product Code	Exports Before in 1000 USD	Exports After in 1000 USD	Export Change in Revenue in 1000 USD	Percentage Change in Exports
China	Total	60,120,801	73,642,347	13,521,546	22.49
Malaysia	Total	9,493,390	14,228,497	4,735,107	49.88
Korea, Rep.	Total	12,878,505	16,233,598	3,355,093	26.05
Thailand	Total	5,417,513	7,608,380	2,190,867	40.44
Japan	Total	9,367,973	11,543,881	2,175,907	23.23
Vietnam	Total	2,536,126	3,882,464	1,346,338	53.09
Singapore	Total	7,380,912	8,577,367	1,196,456	16.21
Australia	Total	9,243,673	10,284,401	1,040,728	11.26
Philippines	Total	505,562.5	620,169.3	114,606.9	22.67
New Zealand	Total	544,125.6	626,297.8	82,172.12	15.10
Brunei	Total	607,783.4	608,538.4	755.072	0.12

Source: Calculated based on WITS SMART simulations.

Annexure-8

Major Losers from India ASEAN Plus FTA - SMART Simulation

Partner Name	Product Code	Exports Before in 1000 USD	Exports After in 1000 USD	Export Change in Revenue in 1000 USD	Percentage Change in Exports
Indonesia	Total	13553819	10786291	-2,767,528	-20.42
United States	Total	19628746	19096118	-532,628	-2.71
Germany	Total	11332232	10808555	-523,677	-4.62
Italy	Total	3967955	3787745	-180,210	-4.54
Taiwan, China	Total	3523306	3352020	-171,286	-4.86
Switzerland	Total	21075113	20914464	-160650	-0.76
United Kingdom	Total	5311658	5155350	-156308	-2.94
United Arab Emirates	Total	20265670	20133665	-132005	-0.65
France	Total	3122004	3004414	-117591	-3.77
Saudi Arabia	Total	21348540	21253981	-94559.5	-0.44
Russian Federation	Total	4514333	4425048	-89285	-1.98

Source: Calculated based on WITS SMART simulations

Annexure-9

Trade, Revenue and Welfare effect of India-BIMSTEC FTA

Market View of India-ASEAN PLUS FTA					
Imports	Imports	Tariff	Tariff	Tariff	
Before (\$ '000)	Change In	Revenue (\$ '000)	New Revenue (\$ '000)	Change in Revenue (\$ '000)	Consumer Surplus (\$ '000)
377535382	23,581,967.25	40,965,439.83	21,623,485.41	-19,341,954.42	1,915,040.615
Revenue Impact of India-ASEAN PLUS FTA					
Revenue Effect (\$ '000)	Trade Total Effect (\$ '000)	Trade Value (\$ '000)	Old Weighted Rate (%)	New Weighted Rate (%)	
-12147512.13	23,581,967.25	377,535,382	10.85	5.39	
Welfare Impact from India-ASEAN PLUS FTA					
Trade Total Effect (\$ '000)	Welfare (\$ '000)	Old Weighted Rate (%)	New Weighted Rate (%)		
23,581,967.25	2,224,771.425	5.39	10.85		
Trade creation from India-ASEAN PLUS FTA					
Trade Total Effect (\$ '000)	Trade Diversion Effect (\$ '000)	Trade Creation Effect (\$ '000)	Price Effect	Old Simple Duty Rate (%)	New Simple Duty Rate (%)
23,581,967.25	0.097	23,581,967.25	0	10.85	5.39

Source: Calculated based on WITS SMART simulations.

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