

Frequently Asked Questions on the Review of the ASEAN-India Trade in Goods Agreement (AITIGA)

What is the ASEAN-India Trade in Goods Agreement (AITIGA)?

The ASEAN-India Trade in Goods Agreement (AITIGA), a key trade agreement between India and ASEAN, was signed on 14 August 2009 in Bangkok and came into effect in October 2010. The primary goal of the AITIGA is to enhance economic cooperation and integration between the two regions by reducing or eliminating tariffs and non-tariff barriers on a variety of traded goods.

The AITIGA commits Parties to liberalise tariffs in over 90% of product lines, comprising tariff elimination on 80% of product lines and tariff reduction on 10% of product lines to 5% by 2016. The implementation of the AITIGA has contributed to the expansion of two-way trade between ASEAN and India, and paved the way for the creation of one of the world's largest free trade areas with more than 1.9 billion people and a combined GDP of US\$5.36 trillion.

Which countries are involved in the AITIGA Review?

The AITIGA Review is being negotiated among India and ASEAN Member States (AMS): Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Viet Nam.

Why is the AITIGA Review important and what areas are being considered for the Review of the AITIGA?

The review of the AITIGA represents an opportunity to strengthen ASEAN's economic relationship with India especially in light of emerging trends in global trade practices. The review seeks to include provisions to respond to emerging trade issues and alleviate issues faced in the implementation of the existing Agreement. Some areas that Parties are exploring include:

- (i) **Enhancing existing provisions** in trade facilitation, standards, addressing barrier effects of non-tariff measures, etc.
- (ii) **Pursuing new areas of collaboration** such as supply chain connectivity, technical cooperation, and efforts to assist MSMEs.
- (iii) **Addressing** AITIGA implementation issues, e.g. non-tariff measures/barriers.

The reviewed AITIGA seeks to create a more business-friendly environment through the simplification and modernisation of commitments as well as enhancing supply chain resilience for ASEAN and India by taking into account the strengths and potential of both ASEAN and India in the Global Supply Chain ecosystem.