

Name of Scholar: Nikhat

Name of Supervisor: Prof. Saba Ismail

Name of Department: Economics

Topic of Research: India-ASEAN Trade Relations: A Study of Manufacturing Sector

Keywords: Bilateral Trade, Manufactures, ASEAN, Trade Composition, Technology, Revealed Comparative Advantage, Intra Industry Trade, Trade Similarity, Complementarity, Augmented Panel Gravity Model, Trade Potential.

## **FINDINGS**

India and Southeast Asia share deep-rooted historical ties, with trade serving as a foundation since ancient times. The India-Southeast Asia maritime trade route, active since the 3rd century B.C., has facilitated cultural and economic exchanges. However, during the Cold War era, India's trade with Southeast Asia declined due to its alignment with the Soviet Union. This changed after India's economic liberalization in 1991, leading to the 'Look East Policy' (1991) and its upgrade to 'Act East Policy' (2014). Since then, India-ASEAN economic relations have grown significantly, driven by agreements such as the ASEAN-India Free Trade Area (AIFTA, 2010) and various Comprehensive Economic Cooperation Agreements (CECA).

India became ASEAN's Sectoral Partner (1992), Dialogue Partner (1996), and Summit-Level Partner (2002). The ASEAN-India Business Council (AIBC, 2003) and Business Summits have facilitated investment and trade. Bilateral trade expanded significantly, with India's exports to ASEAN growing at an average rate of 15.04% and imports at 18.5% annually (as of 2018). India's exports increased 35 times from \$1.39 billion in 1992 to \$36.13 billion in 2018, while imports surged 51 times from \$1.15 billion to \$51 billion. However, India has consistently maintained a trade deficit with ASEAN. By 2020, ASEAN's share in India's total exports reached 10.76%, while India's share in ASEAN's exports stood at 2.8%.

India's trade is concentrated with Singapore, Indonesia, Malaysia, Vietnam, and Thailand, while trade with Brunei, Cambodia, Laos, Myanmar, and the Philippines remains limited. Strong maritime linkages drive India's trade with ASEAN nations along the Strait of Malacca and the western South China Sea. Key Indian exports to ASEAN include manufactured goods (22.38%), machinery (22.26%), and mineral fuels (18.8%), while imports are led by machinery, mineral fuels (15.04%), and chemicals (13.94%). In 2020, India's top exported commodities included petroleum products (SITC 33), transport equipment (SITC 32), non-ferrous metals (SITC 77), iron & steel (SITC 67), and organic chemicals (SITC 5.33).

To address the trade deficit, India must diversify exports, enhance Special Economic Zones (SEZs), and strengthen cooperation in the digital economy, energy, and infrastructure. Future studies should explore Singapore's role as an entrepôt and conduct deeper trade analysis. India and ASEAN's strong trade relations, supported by policy frameworks and economic complementarities, remain vital for regional economic integration and sustained growth.