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**A Note on India's Recent Involvement in Trade  
Blocs (2003–2009)  
Regionally Sharpening the Multilateral Agenda?**

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**Abstract**

Before the inception of WTO in 1995, India generally did not join any regional economic agreement to promote trade or to achieve any other goal, barring exceptions like the South Asian Association for Regional Cooperation (SAARC) and the Bangkok Agreement. However, in the period since the Cancun Ministerial (2003), it has entered into a number of preferential trade arrangements with Asian as well as non-Asian partners. Looking into India's regional economic integration approach, the current analysis makes an attempt to identify the major determinants behind the shift in the country's interest and the policy implications of this change.

**KEYWORDS**

India, Free Trade Agreements, Foreign Direct Investment

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The views expressed by the authors are personal.

## Abbreviations

ABI	Argentina, Brazil, India – Negotiating Group on non-agricultural tariffs at WTO
ACFTA	ASEAN-China Free Trade Agreement
APEC	Asia Pacific Economic Cooperation
APTA	Bangkok Agreement
ASEAN	Association of South East Asian Nations
BIMSTEC	Bay of Bengal Initiative for MultiSectoral Technical and Economic Cooperation
BIPA	Bilateral Investment Promotion and Protection Agreement
BITs	Bilateral Investment Treaties
BTAs	Bilateral Trade Agreements
CECAs	Comprehensive Economic Cooperation Agreements
CECPA	Comprehensive Economic Cooperation and Partnership Agreement
DTAA	Double Taxation Avoidance Agreement
EAEG	East Asian Economic Group
EHS	Early Harvest Scheme
ENT	Economic Needs Test
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
EU	European Union
FDI	Foreign Direct Investment
FTAs	Free Trade Areas
G-20	The group of developing countries to negotiate agricultural issues at WTO.
G-33	The group of developing countries, also known as the SP/SSM Alliance, to negotiate the concepts and provisions of Special Products and Special Safeguard Mechanisms at WTO.
G-110	G-90 consists of the African Union/Group, ACP and Least Developed Countries. G-110 was formed by G-20 and G-90 coming together.
GCC	Gulf Cooperation Council
GoI	Government of India
IBSA	India – Brazil – South Africa
IIT	Intra-Industry Trade
JSG	Joint Study Groups
LDCs	Least Developed Countries
MERCOSUR	The Southern Common Market, involving Latin American countries
MFN	Most-Favoured-Nation Treatment – provided to the WTO Members
MOC	Ministry of Commerce, Government of India
NAFTA	North American Free Trade Agreement
NAMA-11	Developing country coalition at the WTO to discuss non-agricultural tariff issues
NTBs	Non-Tariff Barriers
PTAs	Preferential Trade Agreements/Preferential Trading Arrangements
ROOs	Rules of Origin
RTAs	Regional Trade Agreements
SAARC	South Asian Association for Regional Cooperation – involving seven South Asian countries
SAFTA	South Asian Free Trade Area – modified from SAPTA - SAARC Preferential Trading Arrangement
SACU	Southern African Customs Union
TCI	Trade Complementarity Index
TEF	Trade and Economic Framework Agreement
WTO	World Trade Organization

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## I. Introduction

Regional cooperation between countries enhances the trade potential among themselves as well as helping them to realize economies of scale and greater specialization in production by overcoming the constraints of the domestic market (ESCAP 2004: p. 24). The benefits from free trade to many developing countries is limited as today's world is ridden by multiple distortions in the forms of tariffs, non-tariffs, exchange control, movement of factors of production and different political and economic set-ups. This could explain the recent upsurge in the number of regional trade agreements (RTAs).<sup>i</sup>

Before 1997 most economists considered economic cooperation in Asia (through trade and investment) as an example of a successful *de facto* regionalism, i.e., explained by the predominant interplay of market forces. To that extent, Asia appeared as a latecomer to regionalism with very few agreements signed prior to 2000.

However, in the past five years, many deals have been concluded and even more are under negotiation, giving rise to the 'noodle bowl syndrome'. This shift towards regionalism can be explained not only by the financial crisis of 1997 and the necessity to promote regional economic cooperation, but also by the slow progress of World Trade Organization negotiations in the Doha Development Agenda. The financial crisis revealed the weaknesses of informal regional cooperation arrangements. Indeed this crisis and its knock-on effects on a number of economies in East and South-East Asia painfully demonstrated that the East Asian economies were closely intertwined and that a resolution of the crisis called for heightened regional cooperation in the trade and financial fields (Sauvé 2007). The advantages of regional integration for WTO Members have become all the more lucrative in recent times, given the modest outcome of the Hong Kong Ministerial in December 2005 and the slow progress of multilateral negotiations since then.

This scenario can be applied to India. Although India was not part of the regionalization drive during the nineteen-nineties, since mid-2003 (i.e., the post-Cancun period) it has initiated the process of entering into a number of RTAs spread across the continents. There is a need to evaluate the actual as well as potential benefits for India from this exercise, given the worldwide trend towards RTA formation. In other words, while India stands to gain market access in major trade partners, it nonetheless still has to compete with other RTA-partners in the countries concerned (e.g. with China, Japan and Korea in the ASEAN market). Moreover, the overlapping RTAs make the application of the rules of origin (ROOs) provision very cumbersome, and may lead to future trade disputes. The current paper is organized along the following lines. A discussion on India's RTA formation experience is followed by an analysis of the determinants of India's RTA strategy, based on which the conclusions are drawn.

## II. India's Regional Integration

The trade statistics indicate that while the intra bloc exports for all the developed country blocs are usually high, the same does not hold good for all developing country blocs. Table 1 shows the higher trade-inwardness of various developed country blocs (e.g. Asia-Pacific Economic Cooperation (APEC), the European Union (EU), and the North American Free Trade Agreement (NAFTA)). India is a member of two developing-country blocs, namely the Bangkok Agreement (recently changed to the Asia Pacific Trade Agreement or APTA) and SAARC and in both cases trade-inwardness has increased slowly, starting from a low baseline. This has perhaps been one of the driving forces behind India's move to opt for newer preferential trading arrangements (PTAs).

**Table 1: Merchandise exports within bloc (percentage of total bloc exports)**

Blocs	1995	1999	2000	2002	2003
APEC	71.8	71.8	73.1	73.3	72.5
EU	62.4	62.9	61.6	60.6	61.1
NAFTA	46.2	54.6	55.7	56.7	56.1
MERCOSUR	20.3	20.6	20.8	11.6	11.9
ASEAN	25.4	22.4	23.9	23.7	23.0
Bangkok Agreement/APTA	5.0	5.1	5.1	5.6	5.7
EAEG	47.9	43.8	46.6	48.2	49.4
SAARC	4.4	4.0	4.1	4.2	5.6

Source: World Development Indicators (various issues).

Table 2 summarizes India's current participation in major PTAs, FTAs and comprehensive economic cooperation agreements (CECA). In addition, India also extends various forms of trade preferences to some Asian neighbours, e.g., Afghanistan, Bangladesh, Bhutan, Mongolia and Nepal. It is observed that the operational RTAs currently involve Asian partners, while negotiations are currently taking place with several partners located in Asia and other continents.

**Table 2: India's Current RTA Involvements**

Asia	Africa	Latin America
Operational		
Indo-Lanka FTA SAFTA Bangkok Agreement (now APTA) India-Thailand FTA India-Singapore CECA		
Negotiations ongoing		
India-GCC Framework Agreement on Economic Cooperation India-ASEAN CECA BIMSTEC FTA India-Australia Trade and Economic Framework Agreement Indo-Israel PTA	India-SACU CFTA India-Mauritius CECPA	Indo-MERCOSUR PTA Indo-Chile PTA
Joint Study Group		
China, Korea, Japan, Malaysia, Indonesia		

Compiled by the authors

The bottom row of Table 2 deserves special mention. In the case of the People's Republic of China and South Korea, the Joint Study Groups (JSG) recommended creation of an FTA and CECA respectively. However, the JSGs are still analysing the feasibility of a bilateral Economic Partnership Agreement and CECA with Indonesia and Malaysia, respectively, which partly dilutes the country's ASEAN agenda.

A note on the non-Asian collaborations is needed here. Since 2003, discussions on the India-Brazil-South Africa (IBSA) Enhanced Trade and Energy Cooperation have surfaced several times; with the three countries keeping in close touch with each other at WTO negotiating forums as well (Chakraborty and Sengupta, 2006; HT, 2007). However, the proposed IBSA PTA is still pending. During mid-2006, the Indian Cabinet cleared a proposal for a framework agreement ultimately leading to a Comprehensive Free Trade Agreement (CFTA) with SACU. Similarly, the PTA between India and Chile, which was signed in March 2006, may in future be extended to the Indo-Chile FTA. Recently the possibility of entering into PTAs with Canada and Russia has been discussed. Interestingly, a Canadian team visiting India in March 2007 expressed their interest in entering into an FTA with India, if the Doha round of talks fails at the WTO (CENTAD, 2007). An EU-India bilateral trade and investment agreement may also be concluded in the future (Zee News, 2007).

While the interest displayed by a number of countries with diverse backgrounds in entering into a preferential agreement with India is a good sign, it has to be noted that the progress so far has been very slow; SACU and MERCOSUR being the cases in point. Further delay in conclusion of these agreements might fuel future discord.

### III. The Geographical Spread of India's RTAs

Table 3 shows that India's RTA strategy is heavily skewed towards Asian partners. The trade volume of SAFTA in South Asia is still below its potential, although the newly formed Indo-Lanka FTA has been quite successful in this regard. Over the years, India's exports to ASEAN countries have increased considerably, which explains the recent negotiations, initially with ASEAN, and later individually with Indonesia, Malaysia, Singapore and Thailand. Also, in order to link South Asia with geographically closer ASEAN neighbours, negotiation on the BIMSTEC FTA was initiated, but has now reached a stalemate (Chakraborty, 2007). The negotiations on PTAs in Africa and Latin America involve SACU and MERCOSUR respectively, but the actual targets are the regional key players South Africa and Brazil in that order. The recent interest shown towards Canada, the EU and Russia, on the other hand, may be interpreted as an attempt to strengthen India's export presence in those markets. In the EU market, the focus would perhaps be on the EU-15 Member States, as India's trade volume with the newer members is still quite low.

**Table 3: An Analysis of Trade Scenario between India and Proposed Partners, by Continent (Percentage Share of values)**

Regions where the proposed and existing partners are located	Export		Import	
	1996-97	2006-07	1996-97	2006-07
<b>Implemented and ongoing negotiations</b>				
West Asia	7.30	13.11	11.16	16.48
South Asia	5.08	4.98	0.61	0.79
East And South-East Asia	19.20	24.50	20.65	25.54
Africa	1.44	2.39	0.85	1.37
Latin America	0.83	1.66	1.16	2.05
Overall	33.86	46.64	34.42	46.23
<b>New Interest</b>				
Canada (North America)	1.05	0.88	0.80	0.96
Russia (Europe and Asia)	2.42	0.71	1.35	1.30
EU-15	25.86	20.38	26.53	15.30
EU-27	26.49	21.21	27.16	16.06

Constructed from India's trade data

#### **IV. The Implementation Period**

In order to minimize the opposition towards the creation of the RTAs with the developing and least developed country (LDC) partners, the implementation period generally ranges over five to ten years, or even longer for the blocs. For instance, it was initially decided that for the Indo-ASEAN FTA the elimination of the tariff on trade in merchandise products would be completed by 2016, although newly joined ASEAN members (e.g. Laos and Myanmar) would get some preference. On the other hand, in the case of the BIMSTEC FTA, it was agreed that the elimination of tariffs for developing country imports following the normal track would be achieved by June 2012, starting from July 2007. However, the LDCs (Bangladesh, Bhutan and Nepal, among others) would do so by 2017. In the case of the Indo-Thailand FTA, it was decided that the zero-duty on mutual imports would be achieved by 2010. SAFTA, which involves both LDCs and non-LDCs (India, Pakistan and Sri Lanka), became operational in January 2006 and the tariff liberalization programme is expected to be completed by 2013 for India, Pakistan and the Maldives; by 2014 for Sri Lanka; and by 2016 for Bangladesh, Bhutan and Nepal.

Despite the longer transition period, determining the product coverage (i.e., agreeing to a negative list) for the India-centric blocs and ROOs emerged as a hotly debated issue during most of the negotiations, owing to which the initiation timelines have often been missed. An area of concern for India needs to be noted here. By 2010–2016 the tariff schedule would be greatly liberalized by most of the Asian blocs as a whole and individual countries engaged with India. The way India's negotiations are progressing, it is likely that the initiation of liberalization programmes will need some more time. In that case, India would lose the leverage with its partners and be under increasing pressure to liberalize its tariff schedule towards the end of the time period (i.e., 2016).

#### **V. The Debate over Product Coverage in Selected RTAs**

The RTAs involving India mostly include developing countries and LDCs and hence, the question of maintaining a safeguard provision to curb imports under certain conditions has always been very important. Moreover, given the similarity in the structure of manufacturing output, mutual agreement on maintaining a negative/sensitive list for each country, which would be excluded from the tariff reform commitments, was vital.

For instance, the objective of SAFTA is to reduce intra-bloc tariff barriers to less than 5 per cent. Hence, to balance the consequent adverse impacts, if any, the SAFTA members were allowed to maintain a sensitive list to protect their domestic sector, with the non-LDCs maintaining a smaller list than the LDCs. It was also agreed that the 'sensitive list' of a country would be reviewed once every four years or more often to reduce its size. Moreover, the non-LDCs are supposed to compensate the LDCs for their loss of revenue caused by the tariff reforms undertaken during the integration process in the form of a grant in US dollars. Hence, determination of this 'sensitive' list involves intense negotiation. India's 'sensitive list' under SAFTA includes several tariff lines relating to agro-commodities (MOC Press Release, 2005).

In the BIMSTEC FTA (which includes all SAFTA members, barring Pakistan and two ASEAN countries) a sectoral initiative approach was followed, whereby textiles and clothing, drugs and

pharmaceuticals, gems and jewellery, horticulture and floriculture products, processed foods, automotive industry and parts, rubber, tea and coffee, coconut and spices were identified for cooperation among members. It was decided that the import duties on items excluded from the mutually agreed negative list would gradually be lowered down to zero as compared to a 0–5 per cent tariff rate in case of SAFTA. However, to balance this effect it was decided that a list of products coming under safeguard measures (i.e., products eligible for a short-term tariff increase during a surge in imports) would be prepared, enabling members to protect their domestic interests.

One interesting feature of the BIMSTEC FTA is that it does not have any provision for compensating LDCs for loss of revenue resulting from reduction and elimination of tariffs. Hence, it makes more sense for India and Sri Lanka to access the markets of Nepal and Bangladesh following BIMSTEC ROO norms rather than the same under SAFTA. This aspect contributed significantly towards lengthening the BIMSTEC negotiation process. Bangladesh withdrew from the BIMSTEC FTA negotiations in 2004 for a brief period over the revenue compensation provision, but later rejoined expressing the view that textiles must be included in its negative list. On the other hand, Indian domestic industry favoured incorporation of textiles, completely-built units of all four-wheelers (including buses, trucks, utility vehicles and passenger cars) and two-wheelers from Thailand in their negative list. The BIMSTEC countries are currently negotiating to determine the number of commodities eligible for preferential ROOs and the safeguard list, and the deadline for conclusion of that negotiation has already been missed. Understandably, the Indian proposal for having a smaller safeguard list did not find much support from other BIMSTEC partners (Sen and Siddiqui, 2006).

A similar discord marked the negotiations under the Indo-ASEAN FTA. In 2003, the Framework Agreement for establishing an FTA was signed by the two sides. However, the negotiations were hampered in mid-2006 because of India's concern to keep agriculture and textile products out from the purview of this FTA. Later, when the FTA negotiation process restarted, the negotiating agenda of both sides focused on minimization of the others' negative list. Also capping the tariff of palm oil exports from ASEAN countries was a major problem area. Only in late 2008, were the two sides able to agree on a deal. The negotiations on trade in services and investment were delayed in the process, as they could begin only after conclusion of the agreement on trade in goods.

The negative list determination in the course of the Indo-Lanka FTA has been a reasonably smooth-running affair. India and Sri Lanka agreed to have 429 and 1180 tariff lines, respectively, in their negative list. The negotiations under APTA are also in progress, where a fresh round of tariff concessions (although for a relatively smaller set of commodities) were implemented from 1st September 2006 onwards.

The PTAs involving Latin American partners have not generated major frictions to date, perhaps because the coverage of trade was modest to begin with. For instance, in the course of the PTA negotiations, India and Chile agreed to provide fixed tariff preferences ranging from 10–50 per cent on 178 and 296 tariff lines, respectively, to the partner, at the Harmonized System (HS) 8-digit level. The covered product lines, including primary and industrial products, accounted for more than 90 per cent of the value of total Indo-Chile bilateral trade during 2004–05. In the case of the Indo-MERCOSUR PTA, in 2005 India and MERCOSUR agreed to give tariff concessions to the partner on 450 and 452 tariff lines, respectively. In November 2006 India presented a wish list of 626 additional products (expecting tariff concessions).<sup>1</sup> In December 2006, MERCOSUR

responded by presenting its wish list of 2099 products. The negotiations on this granting of additional preference are ongoing.

The discord during the progress of negotiations augments the concerns raised above. While in the short run, the delays appear inevitable in terms of protecting national interest, in the long run they might cost India the leverage vis-à-vis the partners in completion of tariff liberalization programme.

## **VI. Rules of Origin Provisions: The Negotiating Perspectives**

The main purpose of the ROOs in RTAs is to ensure that products coming from non-members are not merely routed through an RTA partner as a means of obtaining tariff preference in another RTA member country. Usually three criteria may be applied for determining ROOs for the goods qualified for tariff preference in the intra-RTA trade:

- (1) Value-added method (i.e., increase in the price of the final product as a result of processing while coming through an RTA partner);
- (2) Change in tariff heading (i.e., actual transformation of the product at the HS 6- or 8-digit level within the physical boundaries of an RTA partner);
- (3) Local content requirement (i.e., definitive proof of processing of the product within the physical boundaries of an RTA partner, using locally acquired inputs).

However, the blocs may also prefer to apply more than one criterion in their ROO norms.

Determining balanced norms for ROOs is all the more important for India owing to the overlap of the RTAs that it has entered into. For instance, India proposes to collaborate with Bangladesh through APTA, BIMSTEC and SAFTA; with Sri Lanka through APTA, BIMSTEC, ILFTA and SAFTA; with Thailand through the BIMSTEC FTA, the Indo-ASEAN FTA and the Indo-Thai FTA. Therefore, unless properly specified, goods coming from one partner may be eligible for more than one ROO norm, leading to future trade disputes. As mentioned earlier, given the difference in compensation provisions in different RTAs (e.g. SAFTA and BIMSTEC), the partners have an implicit incentive to prefer some ROOs over others.

On the other hand, presence of multiple ROOs with respect to one country might create another problem. For instance, India has already agreed on the ROO norms for the Indo-Singapore CECA and the Indo-Thai FTA. However, the preliminary discussions show that the ROOs for the Indo-ASEAN FTA will be slightly different from the existing norms vis-à-vis Singapore and Thailand, respectively. This difference is very likely to create trade discords in future.

The Indo-Lanka FTA was one of the early RTAs entered into by India. According to its ROOs, if the raw materials or inputs are sourced from one country by the other, the value addition criteria would be more lenient (25 per cent as opposed to 35 per cent under normal circumstances). It has however been observed that the ROOs failed to tackle the question of value-addition properly and, as a consequence, several primary and manufacturing producers in India have suffered. For instance, the traditional products of Kerala such as rubber and spices have suffered at times owing to mere passage of these commodities through Sri Lanka from several ASEAN countries (Choudhury, 2006). Copper was another classic case: currently 80 per cent of India's copper imports come from Sri Lanka, even though Sri Lanka has no copper mines. The fact is that Indian

firms establishing factories there imported copper scrap without paying any import duty, then melted and re-shaped the scrap into ingots which were exported back to India. The companies in Sri Lanka also imported copper from other countries. It has been alleged that violations of ROOs norms led to this situation (Guha Thakurta, 2007).

Following these incidents, the Indian domestic sector voiced its concern about the preparation of the ROOs, to the Government. In response, in 2005, the Ministry of Commerce and Industry created a FTA cell to deal with the adverse impact, if any, of FTAs on specific sectors and also, to obtain suggestions for amendments to the agreements for inclusion or exclusion of items of concern to domestic industry. The slow progress in the RTA negotiations on ROOs was perhaps another outcome of the concerns raised by the stakeholders.

During the subsequent RTA negotiations, India showed strong support for including both the value addition and change in tariff heading (CTH) norms for determination of ROOs, arguing that the value addition method alone is not adequate for the purpose, as high wage rates or high rent can increase the product value even without substantial physical value addition (Harilal and Jha, 2006; Bonapace and Mikic, 2006). However, the partners in APTA, BIMSTEC FTA, Indo-ASEAN FTA and Indo-Thai FTA did not agree with this view and preferred only value addition norms for that purpose (FE, 2005). However, the Indo-Thai FTA Framework Agreement finally incorporated a CTH criteria at HS 4-digit level (GOI, undated). Currently the negotiations on ROOs are in progress for the BIMSTEC FTA and Indo-ASEAN FTA.

## **VII. Going beyond Trade in Goods**

While freeing trade in goods has been identified as one of the major goals in all the RTAs involving India, attempts have also been made to further strengthen the association through additional provisions in several agreements. For instance, SAARC includes provisions on cooperation in agriculture and rural development (including water resources management, integrated pest management, regional programme for food security and control of trans-boundary diseases), health and population activities, environment and forestry (to protect and manage the environment and to strengthen disaster management capabilities), science, technology, meteorology and transport. Their purpose is to provide more support to the LDC partners.

Similarly, the BIMSTEC FTA in goods would be followed by an FTA in services and investment collaboration, in addition to cooperation in certain key sectors (e.g. technology, transportation and communications, energy, tourism and fisheries). The idea here is to exploit the regional complementarities together (e.g. telecoms in the case of India and Thailand, where the countries have comparative advantages in software and hardware respectively).

Investment cooperation is likely to play a key role in the Indo- (Gulf Cooperation Council) GCC FTA as well. The CECA with Singapore includes service and investment cooperation, the Double Taxation Avoidance Agreement (DTAA), a more liberal air services agreement and open skies for charter flights, among others, in line with mutual economic interest. However, the implementation issues in most of these supporting agreements require serious examination. For instance, some of the core supporting issues such as cross-border transportation, trade facilitation etc. needs special attention especially in SAFTA. Transit trade, human resource development in

trade and transport areas, among others, are quite neglected in most of these agreements. India, being a major player, needs to provide adequate focus on these areas.

## **VIII. Analysing India's Interest: Multilateralism vs. Regionalism**

Although India has encountered problems, for example over coverage of products and ROOs, during the RTA negotiation process, the incentives for making these blocs operational have become apparent since the Hong Kong Ministerial of 2005, especially in light of the negotiations in Geneva in 2008. The EU, the US and the developing countries have yet to agree on the reform modalities both in the case of agriculture and non-agriculture. In addition, liberalization of trade in services is still largely stuck in the request-offer stage. Given this scenario, it is hardly surprising that the major determinants behind India's regionalism drive have been the trade expansion motive, strengthening the communication infrastructure and transport facilities, ensuring access to the necessary resources (financial, natural and technical), among others. Furthermore, the WTO compulsions at multilateral negotiations, i.e., the urge to form closer ties with like-minded parties, also played a key role in this regard. The major determinants of India's RTA strategy are briefly discussed below.

### **Enhancing Trade**

In India's traditional major export destinations such as the EU and the US, even in the post-WTO accession period, the continuance of several standard-related barriers (sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT)), procedural barriers and contingency measures (anti-dumping duties) constituted the major barriers (Mehta, 2005). Moreover, newer procedural non-tariff barriers (NTBs) were introduced on Indian exports in South Asian and ASEAN markets in the late nineteen-nineties as well (Saqib and Taneja, 2005). These events prompted India to consider regional integrations with East and South-East Asian neighbours to ensure a steady export market (Nagesh Kumar, 2005), covering trade in merchandise and services as well as investment measures. It can be seen from Table 4 that India's trade complementarity indices with several RTA partners have generally increased from 1999 to 2003 in line with the absolute export volume (shown in parentheses), with the exception of Uruguay. This signifies a high export potential in these markets from an Indian standpoint, which could further be augmented with the preferential arrangement (Nag, 2005; Sinha Roy, 2004).<sup>ii</sup> Perhaps in addition to the failure at the Cancun Ministerial (2003), this also has prompted India to go for RTAs since 2004.

**Table 4: India's Trade Complementarity Index (Export) with Selected Partners**

(Trade figures in US\$ millions)

Partner	TCI 1999	TCI 2003	Partner	TCI 1999	TCI 2003
Argentina	27.18 (62.98)	33.79 (86.24)	Nepal	39.72 (152.09)	41.65 (661.05)
Brazil	25.29 (135.77)	31.76 (272.21)	Saudi Arabia	32.11 (746.86)	32.54 (1109.49)
China	24.90 (542.00)	29.11 (2918.79)	Singapore	21.81 (672.67)	28.26 (2098.72)
Indonesia	29.01 (324.78)	35.37 (1113.35)	South Africa	36.86 (293.09)	32.99 (532.69)
South Korea	30.39 (478.73)	31.28 (755.44)	Sri Lanka	35.60 (502.18)	37.70 (1302.97)
Malaysia	20.64 (449.27)	27.15 (881.76)	Thailand	28.66 (452.07)	29.78 (821.44)
Maldives	28.22 (7.32)	42.81 (41.76)	Uruguay	28.94 (26.68)	34.15 (19.23)

Calculated from India's Trade Data

In addition to trade in the final products, the trade potential between India and the partners in intermediate goods can be seen from Table 5 which looks at the intra-industry trade (IIT) index. The IIT measures the simultaneous export and import of the same commodities. While the IIT index is relatively higher for the Indo-ASEAN FTA, the BIMSTEC FTA, the proposed Indo-China FTA and the SAFTA, for the Indo-SACU PTA it has been moderate.<sup>iii</sup> This partly explains India's growing interest in RTAs with Asian partners. SAFTA negotiations however have progressed slowly despite the high IIT index.

**Table 5: India's Intra-Industry Trade with Selected Partners**

Trade Bloc	IIT-Index	Trade Bloc	IIT-Index
Indo- ASEAN FTA	32.81	Indo-SACU PTA	9.96
Indo-Australia TEF	17.09	SAFTA	39.16
BIMSTEC FTA	38.17	Indo-Lanka FTA	18.95
Indo-China FTA	31.42	Indo-Thai FTA	27.20
Indo-MERCOSUR PTA	22.28	India-Singapore CECA	25.24

Calculated from India's Trade Data

Interestingly, in most cases, the proposed RTA partners of India have a much more liberalized tariff regime (World Tariff Profile, 2006; World Trade Report, 2005). Therefore, the gain for India in the proposed RTAs would not be in terms of tariff reduction, but through removal of various NTBs (e.g. orders and licence measures for considerations of public safety, health and the environment, among others). This is true of India's proposed PTA with MERCOSUR and SACU as well. This also in a way explains India's seriousness in insisting on adoption of dual criteria for determination of ROOs. Therefore, the focus of future negotiations by India on the RTAs should be on reform of the NTBs in partner countries.

Apart from trade in merchandise products, given the falling Regional Comparative Advantage (RCA) trends in the service sector for ASEAN as a whole and also in some of its member countries (Karmakar, 2005; De, 2006), India is likely to gain by exporting financial services, educational services, IT and telecommunication services, movement of professionals and other business services in those markets from greater integration. India's recent inclination towards including services in all the FTAs with Southeast Asian countries (e.g. Singapore,) and also with the EU is in part due to recognition of that fact on India's part. However, like the case of trade in goods, boosting competitiveness is important for services as well, given the presence of other players such as Australia, China and the US in the ASEAN services market.

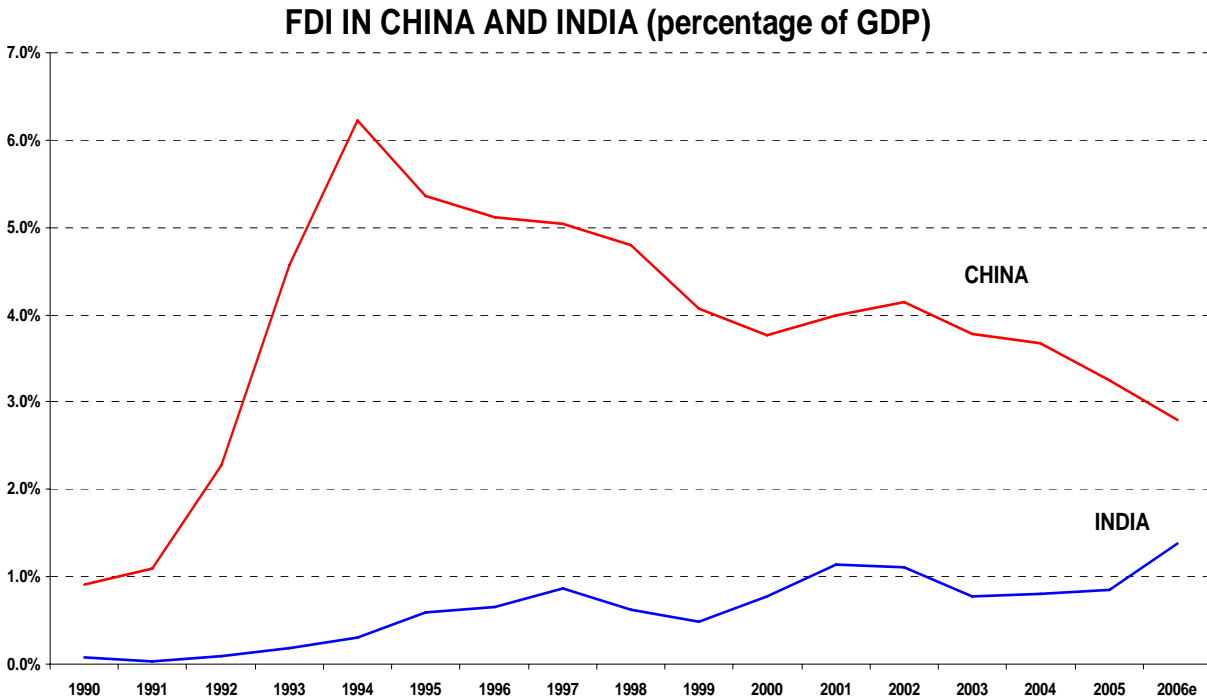
Two points need to be mentioned here. One, the potential markets put up many kinds of barriers to India's service exports and therefore their removal will be a major challenge. For instance, the barriers on trade in services in the GCC markets mostly relate to the regulatory issues (e.g. presence of local monopolies, equity participation limits, commercial presence requirement), local employment criteria and restrictions on movement of natural persons (Economic Needs Test (ENT), verification of the requisite qualifications). Similar problems regarding movement of natural persons surface in some of the South-East Asian markets as well and every new market has specific barriers based on local conditions. This poses a major challenge to Indian negotiators. Second, successful operation of the FTA in goods does not necessarily guarantee the same for trade in services. For instance, despite the success of the Indo-Lanka FTA, the Lankan authorities have blocked the entry of Indian players in health services or recreation services by adopting various procedural routes. The policymakers need to learn from these lessons for future negotiations.

**Boosting Investment**

The Asia-Pacific region is a major recipient of global investment owing to the integrated production network developed across ASEAN countries. Since the early nineteen-nineties, India’s attempt to attract East Asian capital has met limited success (Saint-Mezard, 2003). FDI is an area in which India appears to lag behind China. In 2006, China attracted 10 times more FDI than India. This is because China’s policies on foreign investors are more liberalized than those of India. Moreover, the Chinese economy is growing faster and the infrastructure is better. FDI in China has been increasing and this is not surprising bearing in mind the sheer size of the market and the opportunities for resource exploitation. Although strict protection policies remain in place in China in certain sectors such as the motor industry, India’s restrictive labour laws and limits affecting foreign shares in ownership constrain foreign investment in general. In particular, India’s inadequate infrastructure development makes it very difficult for multinational companies to ship products in and out of the country, and even within the country. China is certainly a star performer in attracting FDI, but India has not performed as badly as expected in comparison to China. China accounts for 5 per cent of world GDP and India about 2 per cent, at current exchange rates (World Bank 2007).

As bigger economies normally attract more investment, China currently tends to be the preferred destination of the foreign investors. But in terms of FDI as a percentage of GDP, China’s figure is less remarkable – little more than twice that of India (Figure 1).

**Figure 1: FDI in China and India, as a percentage of GDP**



Source: UNCTAD FDI database

Within South Asia, India is by far the leading host country for FDI. It received around US\$ 19.4 billion in the fiscal year 2006, or about 80% of total regional FDI (Table 3). India's dominance in FDI in South Asia is largely due to the size of its economy, the largest in the region. However, India's policy reforms geared towards liberalization have also played an important part in India's dominance as a destination for FDI.

After its independence in 1947, India adopted a socialist planned economy. Inefficiency was a problem in all sectors, making it also a high-cost economy. Regulations on imports and FDI were strict, and the domestic market was virtually closed for the next forty years. In the late 1980s, however, the Government gradually liberalized the economy and lifted restrictions on FDI. Consequently, India achieved high economic growth in 1988 and 1989. In July 1991, the New Industrial Policy was announced. Under this policy, foreign investment was approved without conditions, formalities for granting import licences were simplified, and private companies were permitted to enter fields that had previously been dominated by government-owned companies. India changed itself from a closed economy to an open economy. Movement towards liberalization in terms of FDI promotion is now common to all countries in South Asia.

**Table 6: Net FDI Inflows to South Asian Countries (2005–2006)**

	FDI (US\$ Million)	Annual growth	Share of regional FDI total (%)	
	2005	2006		
Afghanistan	271	231	-14.8	1
Bangladesh	800	743	-7.1	3.1
Bhutan	9	6	-32.2	0
India	7661	19442	153.8	79.9
Maldives	10	14	46.3	0.1
Nepal	2	-6	-441.6	0
Pakistan	1459	3451	136.5	14.2
Sri Lanka	234	451	92.7	1.9

Source: Compiled by the authors from data from Asian Development Bank, South Asia Economic Report: Social sectors in transition, Manila 2007.

While the potential candidates for South-East Asian investment in India include the manufacturing sector and infrastructure projects, its outward FDI interests in East and South-East Asia are likely to be focused on IT services and software, pharmaceuticals, herbal-based medicines, and dairy development among others (Das et al, 2002).

The role of preferential agreements and bilateral investment treaties (BITs) in ensuring higher investment inflow has been extensively covered in trade literature. While it is argued that foreign investors are attracted to countries belonging to PTAs (Bütthe and Milner, 2006), it is believed that having many BITs can undermine the likelihood of getting a PTA (Tobin and Busch, undated). It is also argued that developing countries are more likely to enter into BITs if there is a competition for attracting investments (Elkins et al., 2006). The number of international investment agreements (IIAs), instruments for the promotion and protection of foreign investment, has sharply increased over the past two decades, taking the form of a patchwork of bilateral, regional, interregional, and plurilateral treaties.

Asia has, in fact, been the developing region most active in concluding preferential trade and investment agreements. Asia concluded 38 per cent of a total of 14 PITAs in 2005, followed by Latin America with a quarter of that percentage share. As a centre for growth in the world economy, large parts of Asia have become particularly attractive places for market-seeking FDI. It is in Asia that many of the recent and most innovative agreements have been signed and a detailed analysis of preferential commitments is available (Fink and Molinuevo 2008). In numerous Asian countries FDI restrictions have been reduced, leading to accelerated technological exchange and globally integrated production and marketing networks.

Given the FDI-enhancing capabilities of regional economic integration, India's move towards FTAs is in line with its earlier attempts to project itself as an investment destination as part of the broader trade and investment network developed between the ASEAN members. The inclination to conclude FTAs with the capital-rich economies of the region (e.g. Singapore, Japan and Korea) should be viewed in that light. Recently it has been considered that India may prefer to enter into a Bilateral Investment Promotion and Protection Agreement (BIPA) with China rather than an FTA, as the trade frictions (e.g. anti-dumping duty issues) are yet to be resolved. Given Japan's close association with the production network in South-East Asia, the proposed India-Japan Economic Agreement is likely to boost investment collaboration further, although concerns have been raised over the import of toxic products to India as a result of this agreement (Raman, 2007).

However, until now the intra-regional flow of FDI remains relatively low in Asia (except for investment from Japan and South Korea). The same is true for India's FDI sources as well as its outbound investment. One explanation for this is the lack of deeper integration to date, which is likely to be corrected in the near future. For instance, with India-ASEAN FTA ?

## **Trade in Information and Communication Technology**

Communications infrastructure in East and South-East Asian countries such as South Korea, Hong Kong, China, Singapore and Malaysia is much better than in India. However, in the case of exports of IT-enabled services and ICT products India is better-positioned than the South-East

Asian nations, given their complementarities. For instance, the developing countries of the region (e.g. Thailand) have specialized in hardware, while India's comparative strength lies in software. Hence collaboration would benefit both sides and this has prompted India to include technology among the areas of interest. Furthermore, knowledge of English is a major advantage for India, and ASEAN partners would gain by collaborating with India on communication services in this regard. The formation of IT business forums by representations from India and ASEAN is expected to facilitate this process (Joseph and Parayil, 2004).

## **Ensuring Better Transport Linkages in Asia**

The concentration of India's RTAs in the South and South-East Asian region provides an opportunity for the partners to improve the infrastructural facilities collectively. Such a move is likely to lower the transaction costs significantly (De, 2004), which coupled with tariff barriers and NTBs usually cause high informal trade volume in the SAARC region (Taneja, 2002; Pohit and Taneja, 2000; Taneja, 1999). For instance, lack of adequate transport links with the BIMSTEC members in South-East Asia has been compounded by the lack of recognition of Indian vehicles in Bangladesh (RIS, 2004). Similarly if transit provisions for India through Pakistan improve, having access to Central and West Asian markets through the road and rail network would greatly facilitate trade with these areas. The discussion on improving rail connections with Pakistan is currently in progress, and may be fuelled by the increased trade opportunity through SAFTA (Nag and Chakraborty, 2006). The 140,000 km-long Asian Highway Network, connecting capitals, major ports, commercial centres and tourist sites of Asian nations, signed on April 2004 in Beijing, may significantly contribute to this process (Hindu, 2004). However, the success of the initiative is uncertain as Bangladesh decided to opt out of it, thereby blocking India's road access to ASEAN through Myanmar (Raja, 2006). The future of this project would perhaps depend on the success of SAFTA.

Despite these problems, the connectivity between the Asian countries has increased significantly in recent times due to increased productivity of the maritime sector leading to a reduction in unit transport costs. The multimodal transport system linking maritime and surface transport has further eased the process of both input sourcing and trade in final products. Improving connectivity would, apart from enhancing trade in existing commodities, create demand for newer varieties on the market and widen the trade basket of the region. For instance, steady growth in air cargo services has already created increased trade in niche items like flowers, fresh vegetables, and parts and components for the international production networks (particularly ICT equipment). As mentioned earlier, India needs to be more serious about resolving transportation issues and push for a holistic transport agreement in the region.

India has recently shown an increasing inclination towards trading with the ASEAN countries. Infrastructure development in Myanmar has become a major issue on the agenda in this respect as it is the gateway to South-East Asia. Among the notable initiatives the 160-km India-Myanmar Friendship road and major upgrades of infrastructure at Sittwe port could be mentioned. Currently the possibility of building up the New Delhi-Hanoi rail link, joining Singapore, Myanmar, Thailand, Cambodia and Vietnam with India is being discussed (Chakraborty and Sengupta, 2009). All these initiatives would be instrumental in boosting trade in long run.

## Ensuring Energy Security

The expanding economy, growing population, rising standards of living and limited availability of indigenous energy sources collectively threaten India's long-term energy security. China and India are two giants on the move towards securing a greater share of energy assets overseas. Their strategy for controlling oil and natural gas reserves has led to rising FDI outflows.

The regional integration process offers India, a net energy importer, scope for tackling environmental issues and, through them, energy security (Chaturvedi, 2004). It can be observed from Table 6 that several of India's Asian and non-Asian RTA partners are net exporters of energy. Clearly the compulsion to ensure energy security has been a driving force in selection of partners. In particular, one could mention the Trade and Economic Framework Agreement (TEF) signed with Australia, in which energy has been included as an important sub-sector. The decision to go for a FTA with GCC is also worth mentioning in this regard. Closer to home, India is already importing power from Bhutan and further investing in developing mega-hydropower projects there.

If India's energy demand increases further, the country may attempt to collaborate with several central Asian countries, which are also net exporters of energy products. ASEAN is already attaching significant importance to energy cooperation among the members (e.g. the ASEAN Power grid and the Trans-ASEAN gas pipeline), and its association with them may turn out to be beneficial for India. India however needs to develop negotiating skills to address these issues in the forum of ASEAN, BIMSTEC and SAARC as well as in GCC, given its limited success with Bangladesh (Anand Kumar, 2005).

**Table 7: Net Energy Imports as Percentage of Energy use**

Country	1990 (percentage)	2002 (percentage)	Country	1990 (percentage)	2002 (percentage)
Australia	-80	-126	Oman	-740	-478
India	9	18	Russia	-44	-67
Indonesia	-70	-54	Saudi Arabia	-469	-266
Kuwait	-565	-378	UAE	-514	-294
Malaysia	-117	-55	Vietnam	-2	-25
Myanmar	0	-26			

Source: World Development Indicators (various issues)

It should be noted here that negotiations may not be easy owing to the revenue implications of any development on this front. For instance, during the recent Indo-ASEAN FTA negotiations, Brunei and Malaysia insisted on decreasing the tariff on petroleum products to a level that was

unacceptable to India. A compromise solution had to be reached. It should be mentioned here that the Ministry of Finance (Government of India) earlier commented during the Indo-GCC FTA negotiation that the import of petroleum products should not be covered under the FTA. India's action on this front in future would depend on the interaction between the domestic players and the RTA collaborators.

## WTO Compulsion

India's attitude towards RTAs with developing countries primarily changed owing to the slow pace of multilateral liberalization and it currently visualizes them as an efficient instrument for development of bargaining power: "RTAs .. confer greater bargaining power in multilateral negotiations by tying in partner countries through regional commitments." (GoI, 2004). India has been quite vocal at the WTO ministerial forums from the Doha Ministerial (2001) onwards (Chakraborty, 2005; Chakraborty and Sengupta, 2005) and subsequently joined a number of developing country groups like ABI, G-20, G-33, G-110 and NAMA-11 (for details, see Chakraborty and Sengupta, 2006). The trade blocs are likely to play a crucial role in cementing the collaboration in agriculture, non-agriculture and other negotiations. Table 7 indicates the current level of cooperation between India and select RTA partners at multilateral negotiations, where the number of joint submissions by India and a partner country is reported category-wise.

**Table 8: Analysis of Current Cooperation between India and Potential Partners at WTO Negotiations<sup>iv</sup>**

(Number of joint submissions)

Countries	WTO Disciplines							
	A	B	C	D	E	F	G	H
South Asia								
Bangladesh	–	–	8	–	–	–	1	–
Pakistan	5	2	15	1	2	17	7	1
Sri Lanka	4	2	11	–	–	1	7	1
East And South-East Asia								
China, PR	3	–	5	1	1	5	1	1
Indonesia	4	1	21	–	6	8	1	–
Japan	1	–	–	–	–	2	–	–
Malaysia	2	3	15	–	1	4	1	–
Philippines	4	–	5	–	5	11	1	–
Thailand	2	–	5	–	–	14	7	–
Africa								
South Africa	2	–	1	–	5	–	1	–
Latin America								
Argentina	3	3	–	–	7	6	1	–

Brazil	3	3	2	–	7	6	10	–
Chile	3	–	–	–	–	16	–	–

Source: Chakraborty (2009)

It is argued that the bargaining coalitions of neighbours with similar interests could serve as a crucial instrument of effective trade diplomacy (Narlikar, 2003). As seen from the table, the current level of cooperation is quite comprehensive with Indonesia, Malaysia, Pakistan, Sri Lanka and Thailand, presumably owing to the similarity in export pattern. The areas characterized by maximum cooperation are agriculture, issues under general council (mainly trade in textiles and garments, and increasing use of contingency measures like anti-dumping) and services. Regional neighbours like Pakistan and Sri Lanka have cooperated with India at times on issues related to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), clearly owing to a similarity in export pattern. Given the dominance of labour-intensive products in the export basket of India's proposed RTA partners, and the trends in multilateral negotiations, the current level of cooperation is likely to continue.

## IX. Concluding Remarks

India's initial involvement in RTAs was merely a reaction to the slow progress of multilateralism, without any underlying intention to move towards Asian integration. Nonetheless, India's inclination towards RTAs inadvertently helped the integration process as most of the Asian countries are currently eyeing the Indian market. India was initially interested only in opening trade in merchandise products and enhancing investment, but it is now increasingly focusing on the need to include services as well as part of any integration exercise (Mehta and Narayanan, 2005; Chakraborty and Khan, 2008). In particular, liberalization of mode 4 of services trade is an integral part of the negotiation exercise in which India is involved. Furthermore, India is also bringing the issues of the environment and energy security to the table while discussing trade in goods and services with its possible RTA partners (Chaturvedi, 2004).

As discussed earlier, India is still maintaining higher tariffs than its RTA partners. As a result, in post-FTA/PTA situations, it has to reduce tariffs more than its counterparts, leaving a smaller margin of preference to India. It is clear that India cannot expect larger gains in the goods sector. Hence, India's overall strategy is to compensate for the loss in goods sector by gains in services. However, in the goods sector, India is making an attempt to take a sectoral view by focusing on market access of products of interest while trying to protect some other sectors. Loss in one sector must compensate for the gain in other sectors. On the basis of the negotiating experience so far, India's RTA strategy could be categorized in the following manner:

### India's Three-Pronged RTA Strategy

- Compensate for Loss in Goods sector by Gain in Services (or even attracting FDI)
- Within the goods sector, loss in some sectors (due to tariff reduction) is to be compensated through effective market access of other products in which India has potential advantage
- Identification of India's specific interest in the partner country (which may be commercial, regional development or political)

The opportunities and challenges faced by India in different markets are listed in Table 8. Concern regarding possibilities of high import levels from different markets has already been raised within India. Perhaps while discussing the possibilities of the FTA with a country, the existing trade balance with it plays a vital role in the minds of the policymakers. Especially the idea of losing out considerably even if in only one sector could stop the negotiating clock, or cause it to move more slowly. For instance, the growing trade deficits in the case of China or Malaysia, Myanmar and Thailand have perhaps caused the country to move slowly towards the Sino-Indian FTA or the Indo-ASEAN FTA. The idea of sectoral compensation has not been able to convince the domestic constituency as it is difficult to move factors of production from loss-making sectors to other sectors. More detailed studies are required to understand the net gain in different markets in the post-agreement stage.

**Table 9: India's perceived Opportunities and Challenges in Select RTA Partners**

RTA Partner	Export Opportunities	Potential Import Challenges	Trade Surplus/Deficit (2007-08) (US\$ Million)
Argentina	Chemicals, vehicles, plastics	Animal or vegetable fats and oils	-616.19
Brazil	Mineral fuel products, chemicals and pharmaceuticals, plastics	Animal, vegetable fats and oils, sugar	1,568.96
China	Ores and slag, cotton, organic and inorganic chemicals, iron and steel, plastics	Machinery and equipment, chemicals, mineral fuel products, iron and steel, plastics	-16,281.60
Malaysia	Chemicals, meat products, machinery and equipment, iron and steel	Machinery and equipment, wood products, chemicals, animal, vegetable fats and oils	-3,439.00
Myanmar	Iron and steel, pharmaceuticals	Wooden articles, vegetables	-624.51
Sri Lanka	Mineral fuel products, auto parts and products, iron and steel, cotton, pharmaceuticals, copper, plastic	Animal, vegetable fats and oils, copper, aluminium, coffee, tea, spices	2,195.12
Thailand	Gems and jewellery, copper, iron and steel, chemicals, residues and waste from food industries, machinery and equipment, auto parts and products	Machinery and equipment, auto parts and products, plastics	-493.34
Vietnam	Residues and waste from food industries, chemicals and pharmaceuticals, iron and steel, plastics	Coffee, tea, spices	1,429.69

Compiled by the authors

Through a cursory look at the pattern of trade with the proposed blocs, it can be argued that India's interest in the BIMSTEC is in energy, tourism and development of the border roads mainly in the North Eastern States; with Singapore in attracting FDI; with Sri Lanka in export of services such as banking, education and health; and with Thailand in creating a competitive market for its Small and Medium Enterprises (SME) products and machinery and cooperation in electronic goods. India will make an attempt to become integrated with East and South-East Asia through ASEAN by bringing its MFN rates down to the ASEAN level. Moreover, to open land borders for surface transport for merchandise products, India's interest lies more in SAARC and BIMSTEC. Sub-regional stability is an important item on the agenda for India, which might lead it to increase market access to SAARC members. Beyond trade, India is now pushing for regional public goods such as the environment. It is playing an active role in SAARC and BIMSTEC for developing mechanisms of disaster management and protection of marine resources among others.

India could pay closer attention to the rapid economic growth of countries and regions such as Latin America, ASEAN or its member countries. Now is the moment to forge strategic commercial and political links with these countries. Another important point is that any new FTA could serve at least to neutralize the potential trade diversion resulting from FTAs between third countries. This is typically the main factor in the race between the US and the EU. Each of them is seeking not to be sidelined in its trade relations with a partner. India undoubtedly has an advantage in services trade over China and other developing countries. However concluding far-reaching FTAs with Brazil or some of the more developed ASEAN countries could help to secure market access to the benefit of Indian MNEs while ensuring a better competitive environment vis à vis the Triad MNEs.

India's strategy is in strong contrast to that of China which remains quite accommodating in multilateral forums while being aggressive in RTAs especially with Asian countries. The major underlying objective behind China's move towards RTAs is to obtain wider acceptance of 'market economy' status given the high volume of anti-dumping actions it faces globally (Chakraborty and Sengupta, 2006). Also it acts quite quickly in concluding RTA negotiations with faster times of implementation (such as in the case of the ASEAN-China FTA (ACFTA)). The negotiation of ACFTA began in late 2001, by 2002 it was signed and by 2006 all products under EHS are expected to have zero tariffs.

In contrast to China's policy, India has been quite vocal in the WTO forum and has vigorously negotiated several issues, but in the case of RTAs, half-heartedness is apparent. With many countries the negotiations are taking an unusually long time and with some negotiations have slowed down. Hence, India's focus on regionalism has always remained a second priority vis-à-vis multilateralism. Perhaps, India is taking the RTA route to reduce its MFN rate, which may be difficult politically otherwise. This move will place India in a comfortable position in the long run at the multilateral negotiations. India cannot afford to abandon multilateralism as the EU and USA are the major importers of its services exports as well as the leading sources of FDI.

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Endnote:

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<sup>i</sup> By 2001, the number of regional agreements notified to the WTO had crossed its tally of member countries. Currently there are more than 210 such agreements notified to the WTO, while the multilateral body has 149 member countries.

<sup>ii</sup> Trade Complementarity Index is calculated by the following formula:  $TC_{kj} = 100 - \sum \left( \frac{|m_{ik} - x_{ij}|}{2} \right)$  where  $x_{ij}$  is the share of good  $i$  in global exports of country  $j$  and  $m_{ik}$  is the share of good  $i$  in all imports of country  $k$ . The index is zero when no

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goods are exported by one country or imported by the other and 100 when the export and import shares exactly match.

- iii For any industry  $i$  with exports  $X_i$  and imports  $M_i$  the Grubel-Lloyd IIT index is:  
$$I = \frac{|X_i - M_i|}{(X_i + M_i)} * 100$$
. Higher value of the index indicates higher IIT.
- iv A – Agriculture; B – Dispute Resolution; C – General Council (Special and Differential Treatment, Singapore Issues, Anti-Dumping, Trade in Textiles, Modalities, Preparation for Ministerial Conferences etc.); D – Investment; E – Non-Agricultural Market Access; F – Services; G – TRIPS, H – Trade Facilitation