



20th ASEAN-India Economic Ministers' Meeting

For Prelims: 20th ASEAN-India Economic Ministers' Meeting, [ASEAN-India Comprehensive Strategic Partnership, Pandemic](#), Supply Chains, Food Security, [Free Trade Agreement](#).

For Mains: 20th ASEAN-India Economic Ministers' Meeting, India-ASEAN Relations.

[Source: PIB](#)

Why in News?

Recently, the 20th **ASEAN-India Economic Ministers' meeting** was held in Semarang, Indonesia, marking a significant step in **enhancing economic cooperation between India and the ASEAN member countries**.

What are the Key Highlights of the Meeting?

▪ **Strengthening Economic Partnership:**

- The meeting underscored the shared commitment to fortify the [ASEAN-India Comprehensive Strategic Partnership](#), ensuring substantial benefits for both sides.
- The ministers highlighted the importance of fostering **economic collaboration** amid the challenges posed by the [Pandemic](#).
- The bilateral trade between India and ASEAN in **2022-23 amounted to USD 131.5 billion**, constituting 11.3% of India's global trade for the same period.

▪ **ASEAN-India Business Council (AIBC):**

- The ministers acknowledged [AIBC's](#) endeavors throughout 2023, including the 5th ASEAN-India Business Summit held in Kuala Lumpur in March, 2023.
 - AIBC is an organization formed by the Governments of **ASEAN and India in 2005** with the aim to foster **closer business linkages and provide an industry perspective** to the broadening and deepening of economic linkages between ASEAN and India.
- Recognition was given to the **concerns raised by businesses regarding Non-Tariff Barriers (NTBs)**, highlighting the growing exchanges and interactions among stakeholders from both sides.
 - NTB refers to any obstacle or restriction that hinders international trade **but does not involve the imposition of a direct tariff or customs duty** on imported goods. Some examples of NTB are General or product-specific quotas, Quality conditions imposed by the importing country on the exporting countries, Unjustified Sanitary and Phyto-sanitary conditions etc.

▪ **Addressing Regional and Global Challenges:**

- Amidst the intricate landscape of regional and global challenges, the ministers engaged in discussions about the **multi-dimensional effects of the Covid-19** pandemic, climate change, financial market volatility, inflation, and geopolitical tensions.
- Key areas for cooperation were identified, such as **robust Supply Chains, Food Security**, energy security, health, and financial stability.

▪ **AITIGA Review - A Key Agenda:**

- A pivotal point of this year's meeting was the thorough review of the [ASEAN-India Trade in Goods Agreement \(AITIGA\)](#), originally signed in 2009.
- The discussions were preceded by a **meeting of the AITIGA Joint Committee, which deliberated** on the review's roadmap.
- The Term of Reference and Work Plan for AITIGA Review Negotiations were **finalized during this process.**

▪ **Endorsement and Commencement of Review:**

- The ministers officially endorsed the review documents for AITIGA, paving the way for the **formal commencement of negotiations with predefined modalities.**
- The initiation of the AITIGA review addresses a longstanding demand from Indian businesses and promises to make the [Free Trade Agreement \(FTA\)](#) more conducive to trade and mutually beneficial.
- A quarterly schedule of negotiations was agreed upon, with the aim of concluding the AITIGA review by 2025.
 - This review process is anticipated to **bring about enhancements in trade diversification** while also addressing existing trade imbalances.

What is the Association of Southeast Asian Nations (ASEAN)?

▪ **About:**

- It is a **regional grouping that promotes** economic, political, and security cooperation.
- It was established in **August 1967 in Bangkok**, Thailand with the signing of the ASEAN Declaration (Bangkok Declaration) by the founding members of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and Thailand.
- Its chairmanship rotates annually, based on the alphabetical order of the English names of Member States.
- ASEAN countries have an estimated 666.19 million people and a combined [Gross Domestic Product \(GDP\)](#) of USD **USD 3.2 Trillion.**
- Commodity trade between India and ASEAN region has reached 98.39 billion in the period April 2021- February 2022. India's main trading ties are with Indonesia, Singapore, Malaysia, Vietnam and Thailand.

▪ **Members:**

- ASEAN brings together ten Southeast Asian states - Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam - into one organisation.

ASEAN GROUPING



UPSC Civil Services Examination, Previous year Question (PYQ)

Prelims

Q1. Consider the following countries: (2018)

1. Australia
2. Canada
3. China
4. India
5. Japan
6. USA

Which of the above are among the 'free-trade partners' of ASEAN?

- (a) 1, 2, 4 and 5
(b) 3, 4, 5 and 6
(c) 1, 3, 4 and 5
(d) 2, 3, 4 and 6

Ans: (c)

Q2. The term 'Regional Comprehensive Economic Partnership' often appears in the news in the context of the affairs of a group of countries known as (2016)

- (a) G20
(b) ASEAN
(c) SCO
(d) SAARC

Ans: (b)

Mains

Q. Evaluate the economic and strategic dimensions of India's Look East Policy in the context of the post-Cold War international scenario. **(2016)**

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