

# **INDIA–ASEAN FREE TRADE AGREEMENT: RAMIFICATIONS FOR INDIA**

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## **ABSTRACT**

*On 20 December 2012, India and ASEAN Members concluded negotiations on an FTA in services and investments. The conclusion marks a significant move forward in realizing the objective contemplated under the Framework Agreement on Comprehensive Economic Partnership (“FACEP”) 2003. The welfare/trade impact of the FTA package on the Indian economy has yet to be realized. The engagement is multifaceted, and an accurate picture of the ramifications will unravel only in due course, when full implementation is achieved over the years to come. The enormity of the commitments envisaged under the FTA warrant’s serious circumspection. In India, there is increasing apprehension as to the welfare cost of such an arrangement. This paper attempts to analyze the ramifications of the India–ASEAN FTA on the Indian economy, industry and the people, and reviews some of the assumptions reached by various stakeholders and trade experts on the impact of FTA on goods, services, and investment. The paper also gives a brief overview of the different obligations assumed by the parties under the FTA. Indeed, the FTA is currently at various stages of implementation, and it would be too early to predict ramifications. However, analyzing some early returns could give us an indication of what’s in store for the regional arrangement in the short, medium and long terms.*

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