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**FRAMEWORK OF REGIONAL INTEGRATION WITH SPECIAL
REFERENCE TO INDIAN CONTEXT**

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ABSTRACT

Regional integration allows countries to overcome these costly divisions integrating goods, services and factors' markets, thus facilitating the flow of trade, capital, energy, people and ideas. Regional integration can be promoted through common physical and institutional infrastructure. Regional integration helps countries overcome divisions that impede the flow of goods, services, capital, people and ideas. Regional integration is the process by which two or more nation-states agree to co-operate and work closely together to achieve peace, stability and wealth. In this article, framework of regional integration with special reference to Indian context has been evaluated.

Keywords: *Regional, Integration, India.*

INTRODUCTION

With the signing of multiple RTAs during the past ten years, "India's trade policy has experienced a startling turn towards regionalism." (Jha, 2011). India has numerous regional trade agreements in place for the exchange of goods and services with different nations around the world. The Bangkok Agreement was signed by the Indian government in 1975, signalled the start of RTAs in India. 2011 (Martyn). It began as a regional project involving developing nations in the Asia-Pacific area, but due to its extremely constrained scope, it was revived as the Asian Pacific Trade Agreement (APTA) in 2005. The trade liberalisation between its members actually began at that time. The South Asian Association for Regional Co-operation (SAARC) was established in 1985 and is one of India's major RTAs. And in 1995, members of the South Asian Association for Regional Cooperation (SAARC)



established the (PTA) SAPTA, another regional project involving the countries of South Asia. As SAFTA, it was upgraded to an FTA in 2006. The India-Sri Lanka Free Trade Agreement was India's first bilateral FTA (ISFTA). In March 2000, it went into effect. India has attempted to forge strong commercial ties with other countries in the region in order to carry out the goals of its 1991-launched "Look East Policy."

A significant accomplishment for India in this regard was the 2009 negotiation of the ASEAN-India Free Trade Agreement in commodities. ^[1]

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India's involvement in regional trade agreements is shown in Map 1. (In Goods & Services)

Table 1 Lists India's RTAs

RTA	Signed	Status
SAARC PTA	April 1993	Started operation in Dec.1995
India- Sri Lanka FTA	Dec.1998	Operating from March 2000
India- Nepal PTA	March 2002	Operating from March 2002
India -Afghanistan PTA	March 2003	Operating from May 2003
India- Thailand FTA	October 2003	EHS started in Sep.2004
South- Asian FTA	Jan.2004	Supersedes SAPTA: operating from Jan 2006
India -MERCOSUR PTA	Jan.2004	Operating from June 2009
India- Singapore CECA	June2005	EHS started in Aug.2005
Asia -Pacific PTA	November 2005	Broader tariff cuts in force from Sep.2007
India -Chile PTA	March 2006	Operating from Sep.2007
India-Bhutan trade Agreement	July 2006	Operating from July 2006
India -ASEAN CECA	October 2003	FTA in goods came into force in Jan.2010
India -Korea CEPA	Aug.2009	Operating from Jan.2010
India -Malaysia CECA	February, 2011	Operational since July, 2011
Japan -CEPA	February, 2011	Operational since July, 2011

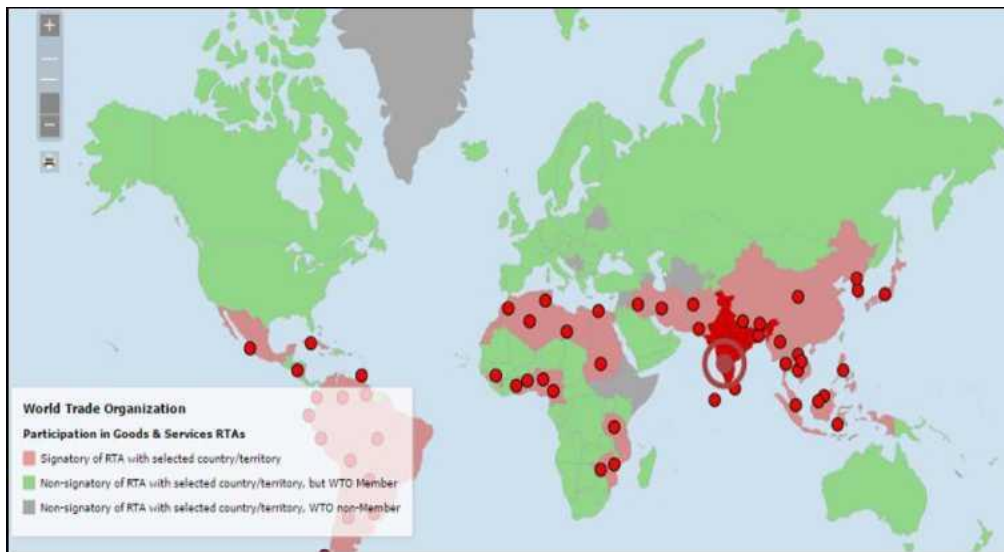


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Source: http://commerce.nic.in/trade/international_ta.asp?id=2&trade=i and India and East Asia: Towards a Regional Economic Integration, Dr. Pinaki Das Gupta.

The Government of India is apparently changing its policy and turning all PTAs and FTAs into Comprehensive Economic Cooperation Agreements (CECAs). These CECAs will include preferential relaxation of FDI rules vs the partner country, tax vacations on investment and income, and lightening of visa ties in addition to tariff discounts on imports. The CECAs will also have jurisdiction over trade in services. (Several of these agreements include Comprehensive Economic Cooperation and Partnership Agreements) such agreements.)



Source: WTO, RTA database, www.wto.in

WTO statistics on RTAs are not based on the actual number of RTAs but rather on notification requirements. As a result, even though there is only one RTA physically, we consider two alerts for an RTA that comprises both products and services (one for goods and the other for services).

For Malaysia, Singapore, and Thailand, the agreement went into effect on January 1, 2010. For ASEAN nations, the agreement will take effect after their internal procedures have been satisfied. Investment and service trade negotiations are currently in progress.



INDIA'S REGIONAL INTEGRATION WITH ASEAN: ASEAN-INDIA FREE TRADE AGREEMENT (AIFTA)

With the adoption of the policy of liberalisation, privatisation, and globalisation in 1991, India's economic reforms got underway. After 1991, India developed a foreign trade strategy that was more outward-looking in order to increase exports, and as a result, India's commercial connections with other nations around the world have changed. India's trade was heavily dependent on western nations during this time, thus in an effort to diversify its export partners beyond the conventional European Union, US, and Middle Eastern nations, India started its "Look East Policy" in 1991. With the implementation of this policy, India's cooperation with ASEAN has begun. The collaboration with ASEAN greatly aided India in forging strong ties with a variety of nations, including Australia, Canada, China, Japan, South Korea, and the European Union, as well as New Zealand, Russia, and the United States. "The relationship between India and ASEAN has been growing quickly" (Arunachalam, 2011). In 1992, India joined ASEAN as a partner in sectoral dialogue. In 1995, at the fifth ASEAN summit in Bangkok, out of concern for one another, ASEAN extended an invitation to India to join it as a full conversation partner. In 1996, India also joined the ASEAN Regional Forum (ARF). Since 2002, India and ASEAN have met at the summit level once a year. At the second ASEAN-India summit in 2003, the leaders of ASEAN and India signed the Framework Agreement on Comprehensive Economic Cooperation (CECA). An ASEAN-India Free Trade Agreement (AIFTA), which incorporates FTA in commodities, services, and investment, was laid out in this framework agreement. The ASEAN-India Free Trade Agreement in goods was signed on August 13, 2009, and it became effective on January 1, 2010, following six years of negotiations.

After implementing its "look East Policy," India's commerce has changed in direction. The greatest trading partner, the United States, saw its share fall by 1.5 percentage points in 2000–01, while Belgium and the United Kingdom saw their shares fall by 1.6 and 2 percentage points, respectively. In contrast, Asian nations like China saw their share rise from 4.3 percent in 2003–2004 to 9.2 percent in 2007–2008, making them India's second-largest trading partner in that year. Some ASEAN nations, including Singapore, Indonesia, and Malaysia, now account for a significant portion of global trade (Economic Survey, 2008- 09). It shows that India's commerce has switched in recent years from its traditional



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trading partners to the Asian area, and India's trade with key ASEAN countries has increased. And over time, India's relationship with ASEAN nations has grown, to the point that it is now a significant trading partner. In a research paper published in 2014, The Standard Chartered stated, "We anticipate exports to ASEAN to reach \$280 billion in 10 years, at which point it will account for 15% of Indian exports." India updated its "Look East Policy" into a "Act East Policy" in 2014 in an effort to improve relations with Asian nations going forward. Additionally, the Association of South East Asian Nations has been a top priority for the current Indian government, as Prime Minister Mr. Narendra Modi stated during the ASEAN-India Summit in September 2016: "ASEAN is a core to our Act East Policy." As a result, India's trade links with ASEAN members have been strengthening through time, and in more recent times, it has become a crucial region for India. Determining India's trading patterns with ASEAN nations during the past two decades is crucial.

The ASEAN-India Free Trade Agreement's main goals are to strengthen and enhance India and ASEAN's economic, trade, and investment cooperation. More than 90% of the goods traded between the two dynamic regions will see their tariffs liberalized as a result of the ASEAN-India FTA, including "special items" like palm oil (both crude and refined), coffee, black tea, and pepper. By 2016, tariffs on more than 4000 product lines will be abolished. ^[2]

CONCLUSION

In order to increase trade between ASEAN member nations and India, the ASEAN-India Free Trade Agreement in Goods was established. The AIFTA is anticipated to increase commerce between India and ASEAN to US\$50 billion by the following year, according to the Federation of Indian Chambers of Commerce and Industry (FICCI). Therefore, it is crucial to examine if AIFTA has had any impact on the exports, imports, and overall volume of commerce between India and ASEAN. And is this increase or decrease in bilateral commerce noteworthy or not? This can serve as an example of how the ASEAN-India Free Trade Agreement has affected India's trade in products. ^[3]



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