

## **ASEAN and India Sign the Much Awaited Free Trade Area**

*Bangkok, 13 August 2009*

The much-awaited ASEAN-India Trade in Goods (TIG) Agreement was concluded yesterday after six years of negotiations.

The signing of the ASEAN-India Trade in Goods Agreement paves the way for the creation of one of the world's largest free trade areas (FTA) - market of almost 1.8 billion people with a combined GDP of US\$ 2.75 trillion. The ASEAN-India FTA will see tariff liberalisation of over 90 percent of products traded between the two dynamic regions, including the so-called "special products," such as palm oil (crude and refined), coffee, black tea and pepper. Tariffs on over 4,000 product lines will be eliminated by 2016, at the earliest.

The ASEAN-India TIG Agreement will enter into force on 1 January 2010 once India and at least one ASEAN Member State notify completion of their internal ratification process.

The Secretary-General of ASEAN, Dr. Surin Pitsuwan, in welcoming the signing of the TIG Agreement said, "The Agreement provides an array of business opportunities that will brighten the economic sentiment of the ASEAN business community. In fact, with this engagement with India, an emerging economic giant, ASEAN has now completed the creation of the largest economic space for ASEAN businesses to operate taking into account the successful FTAs with China, Japan, Korea, and Australia and New Zealand."

The ASEAN-India FTA is the fifth ASEAN-wide FTA. The signing marks the end of protracted negotiations that spanned almost six years following the signing of the ASEAN-India Framework Agreement on Comprehensive Economic Cooperation in 2003.

The Economic Ministers from ASEAN Member States and India signed the following agreements to effect the free trade in goods among them when they met for their 7th AEM-India Consultations in Bangkok, Thailand on 13 August 2009:

- a) Protocol to Amend the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and India;
- b) ASEAN-India Trade in Goods (TIG) Agreement;
- c) Memorandum of Understanding on the Basel Convention on the Control of Trans-boundary Movements of Hazardous Waste and Disposal; and
- d) ASEAN-India Agreement on Dispute Settlement Mechanism.