

Explained: AITIGA Review- Why is India Seeking to Revise its Trade Deal with ASEAN?

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What happened?

India and ASEAN are reviewing the ASEAN–India Trade in Goods Agreement (AITIGA), the framework governing preferential trade in goods between the two sides. In September 2022, both sides agreed to undertake a review of the agreement through the AITIGA Joint Committee. The 1st Joint Committee meeting was held in May 2023, followed by the 2nd meeting in August 2023, marking the beginning of formal negotiations under the review process.

The review gained momentum in 2026. In July, the 13th AITIGA Joint Committee meeting in New Delhi directed negotiators to accelerate work on outstanding chapters, including customs and trade facilitation, market access, and rules of origin (Ministry of Commerce & Industry, 2026a). At the 23rd ASEAN–India Economic Ministers Consultation in September, both sides reaffirmed the need to maintain momentum towards a timely conclusion of the review (ASEAN, 2026a; Ministry of Commerce & Industry, 2026b).

Why does it matter?

ASEAN is one of India's major trading partners, accounting for 10.55 percent of India's global trade in 2025-26. Bilateral trade reached USD 128.38 billion during the year, underlining the importance of the agreement to India's external trade strategy (Ministry of Commerce & Industry, 2026a). The review matters because changes to AITIGA could affect tariff preferences, market access, and the conditions under which businesses trade across the two markets. India has stated that it wants a revised agreement that is balanced, effective, user-friendly, and trade-facilitative (Ministry of Commerce & Industry, 2026a).

Background

AITIGA was signed in August 2009 and entered into force in January 2010. It was intended to progressively liberalise trade in goods between India and ASEAN by reducing or eliminating tariffs on agreed product categories (Ministry of Commerce & Industry, n.d.).

Over time, India raised concerns about the functioning of the agreement, including market access and the implementation of trade-related provisions (Singh, 2025). The review, therefore, seeks to update the framework rather than simply expand tariff concessions. Negotiations now cover areas such as rules of origin, customs procedures, trade facilitation, and national treatment and market access (Ministry of Commerce & Industry, 2024).

Rules of origin are particularly important because they determine whether a product qualifies for preferential treatment under the agreement. Stronger and clearer rules can help ensure that tariff preferences are available to goods genuinely originating within the participating economies, preventing indirect entry from third-party nations (Doshi, 2024).

What are the implications?

For India, the review has implications for both exporters and importers. Better market access and simpler customs procedures could make it easier for Indian businesses to enter ASEAN markets. At the same time, changes to rules of origin and tariff concessions could affect the competitiveness of imported goods in India.

The review also has implications for supply-chain integration. ASEAN is a major regional production hub, and a more predictable trade framework could facilitate greater participation by Indian firms in regional production networks (Doshi, 2024). However, the negotiations involve balancing improved access to ASEAN markets with India's concerns over import competition and the implementation of existing commitments (Singh, 2025).

The September 2026 ministerial consultation also highlighted the practical dimension of the review, with India engaging businesses operating in the Philippines to discuss issues faced by Indian exporters (Ministry of Commerce & Industry, 2026b).

What next?

The immediate priority is to complete the remaining negotiating chapters. The July Joint Committee meeting assigned time-bound work to negotiators, while the September ASEAN–India consultation reiterated the need to sustain momentum towards a successful conclusion (ASEAN, 2026a; Ministry of Commerce & Industry, 2026a).

The outcome will determine whether AITIGA can become a more predictable and usable framework for India–ASEAN trade while addressing the concerns that prompted its review. For India, the challenge is to secure greater access to ASEAN markets without weakening safeguards around sensitive sectors.

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