

IMPACT OF INDIA ASEAN FTA ON INDIAN TEXTILES AND CLOTHING INDUSTRY

DR. AVIJIT MANDAL

ASSISTANT PROFESSOR
DEPARTMENT OF ECONOMICS
MAULANA AZAD COLLEGE, KOLKATA
8, RAFI AHMED KIDWAI ROAD
KOLKATA.

ABSTRACT

India signed a Free Trade Agreement with ASEAN members on 13th August 2009. This paper analyses the impact of the FTA on Indian Textiles and Clothing industry. Gravity model has been used to analyse the impact. It is found that the FTA has the significant impact on India's imports compared to its exports. Tariff plays insignificant role for most of the products both for imports and exports. There has been significant impact on fabrics and yarn due to this FTA. The maximum increase in India's imports of textiles and clothing will be from Singapore followed by Thailand and Malaysia. The maximum impact on India's exports will be from Philippines followed by Thailand and Malaysia.

KEY WORDS: Free Trade Agreement, Textiles and Clothing, Tariff Elasticity, ASEAN

JEL CLASSIFICATION: F13, F15

References

- Bhattacharrya, R. and Mandal, A. (2010): "Estimating the Impact of the Indo-ASEAN Free Trade Agreement on India's Balance of Trade", *Journal of Global Analysis*, 1, 9-25.
- Bhattacharrya, R. and Mandal, A. (2016): "India-ASEAN Free Trade Agreement: An Ex Post Evaluation", *Journal of Policy Modeling*, 38, 340-352.
- Chandran, B. P.S. and Sudarsan, P. K. (2012): "India-ASEAN Free Trade Agreement Implications for Fisheries", *Economic and Political Weekly*, 16, 65-70.
- Francis, S. (2011): "A Sectoral Impact Analysis of the ASEAN-India Free Trade Agreement", *Economic and Political Weekly*, 2, 46-55.
- Nagoor, B. H. and Kumar, C.N. (2010): "Assessing the Impact of the ASEAN-India FTA on the Tea Industry", *Economic and Political Weekly*, 44, 112-116.

Nag, B and Sikdar, C (2011): Welfare Implication of India-ASEAN FTA: An Analysis using GTAP Model”, Working Paper No. EC-11-06, Indian Institute of Foreign Trade, New Delhi.

Okamoto, Y. (2006): “China and India: Challenges and Opportunities for ASEAN from Japanese Perspectives”, *Philippines Review of Economics*, 43.

Pal, P. and Dasgupta, M. (2008): “Does a Free Trade Agreement with ASEAN Make Sense?”, *Economic and Political Weekly*. November 15, 2008, 8-12.

Pal, P. and Dasgupta, M. (2009): “The ASEAN India Free Trade Agreement: An Assessment”, *Economic and Political Weekly*, 38, 11-15.

Veeramani, C and Gordhan, K.S. (2011): “Impact of ASEAN-India Preferential Trade Agreement on Plantation Commodities: A Simulation Analysis”, *Economic and Political Weekly*, 10, 83-92.