

Trade with Association of South-East Asian Nations (ASEAN)

1. Market Access to Indian Origin Products of SHEFEXIL in ASEAN Countries under India-ASEAN Free Trade Agreement (IAFTA):

Though India is having Free Trade Agreement with ASEAN since 01.01.2010, India has not received better market access in Indonesia, Lao, Myanmar and Philippines, and Thailand has also provided limited market access.

This is determined after studying number of SHEFEXIL's tariff lines kept under Sensitive Track, Highly Sensitive List and Exclusion List.

Under India-ASEAN FTA, the tariff elimination is proposed as under:

Table 1 – IAFTA tariff reduction plan

Category	Concessions in Base Rate	Singapore, Thailand Malaysia Indonesia and Brunei*	Philippines*	Cambodia, Lao PDR, Myanmar and Viet Nam*
1	2	3	4	5
Normal Track-1 (NT-1)	BCD = 0%	31.12.2013	31.12.2018	31.12.2018
Normal Track-2 (NT-2)	BCD = 0%	31.12.2016	31.12.2019	31.12.2021
Sensitive Track (ST)	BCD = 5%	31.12.2016	31.12.2019	31.12.2021
Special Products	Special Products refer to India's crude and refined palm oil (CPO and RPO, respectively), coffee, black tea and pepper. These products have been given a fixed schedule for imports into India.			
Highly Sensitive Lists (HSL)	Reduction of applied MFN Rate to 50% - Three categories	31.12.2019 for Indonesia, Malaysia and Thailand. HSL does not apply to Brunei and Singapore	31.12.2022	31.12.2024 for Cambodia and Viet Nam. HSL does not apply to Lao and Myanmar
Exclusion List (EL)	No concessions granted. However EL is subject to an annual tariff review with a view to improving market access.			

[Source: India-ASEAN Free Trade Agreement]

Note: Dates given in Col. Nos. 3, 4 and 5 indicate that reduction in BCD to zero or 5 percent will be effected by specified date in specified countries]

In other words, tariff lines kept under NT-1 and NT-2 are enjoying zero duty by now. Tariff lines kept under ST, HSL will have limited preferential treatment and the reduction will not be beyond 5% or so, as the case may be. Tariff lines kept under EL do not enjoy tariff preference under IAFTA. Hence, if SHEFEXIL's tariff lines are under ST, HSL and EL, they will not get better market access in ASEAN countries.

Let us see how many tariff lines of SHEFEXIL are covered under each category, country-wise.

Table 2 – SHEFEXIL's tariff lines under various categories, country wise

Figures are in percentage of total tariff lines (SHEFEXIL's products only)

	NT-1	NT-2	ST	HSL	EL
BRUNEI	98.11	0.63	1.26	0.00	0.00
CAMBODIA	62.89	37.11	0.00	0.00	0.00
INDONESIA	34.38	2.50	35.63	0.00	27.50
LAO PDR	43.13	0.00	33.75	0.00	23.13
MALAYSIA	98.20	0.60	0.00	0.00	1.20
MYANMAR	25.97	18.18	6.49	0.00	49.35
PHILIPPINES	54.43	6.96	0.00	1.27	37.34
SINGAPORE	100.00	0.00	0.00	0.00	0.00
THAILAND	41.88	3.75	45.00	0.00	9.38
VIETNAM	96.18	1.91	0.64	1.27	0.00

[Source: As per each Country's Tariff Schedule under India-ASEAN FTA.

Note: Numbers given in the table indicate tariff line under each category as a percentage of total tariff lines under SHEFEXIL's purview. For example, out of total 160 tariff lines of SHEFEXIL, 98% of tariff lines are under NT-1 category in Brunei's tariff schedule under IAFTA.]

In other words, SHEFEXIL's products are not getting enough market access in Indonesia, Lao, Myanmar Philippines and Thailand.

2. Export of SHEFEXIL's Products to ASEAN Countries:

India is exporting many tariff lines of SHEFEXIL to ASEAN Countries. To examine whether exports of SHEFEXIL products to ASEAN countries is significant or not, top ten export markets of SHEFEXIL's products were observed.

ASEAN countries are one of the top ten export destinations for following 60 export products of SHEFEXIL.

Table 3 – SHEFEXIL's Export Products and ASEAN Countries in Top Ten Export Destinations' List (Based on Country-wise Trade Data for the calendar year 2016)

Sl. No.	EXIM Codes	Description	Top Export Destinations (Calendar Year 2016)
1	7129020	Dehydrated garlic powder	South Africa, Spain, UK, Brazil, Canada, USA, Turkey, <u>Vietnam, Thailand,</u> Bangladesh
2	9092110	Coriander of seed quality	<u>Malaysia,</u> Oman, Pakistan, UAE, Saudi Arab, Kuwait, USA, Bangladesh, UK, Germany
3	9109913	Dill seed	<u>Vietnam,</u> USA, Iran, Brazil, Israel, Japan, Canada, <u>Thailand,</u> Tanzania, UK
4	9109915	Cassia torea seed	<u>Vietnam,</u> Taiwan, Japan, UK, Netherland, Australia, Germany, Russia, Korea RP, France
5	13012000	Gum arabic	Nepal, Iran, Pakistan, Bangladesh, China, UAE, <u>Indonesia,</u> USA, Japan, Sri Lanka
6	13019011	Asian gum	Germany, Japan, Belgium, <u>Malaysia,</u> Lithuania, Finland, UK, France, Netherland, Korea RP
7	13019013	Asafoetida	UAE, USA, <u>Singapore,</u> UK, Kuwait, <u>Malaysia,</u> Saudi Arab, <u>Myanmar,</u> <u>Thailand,</u> Oman
8	13019016	Karaya gum(indian tragacanth) hastab	Japan, France, Pakistan, USA, Germany, <u>Malaysia,</u> Switzerland, Spain, Hong Kong, Syria
9	13019039	Other gum resins	USA, France, Belgium, Netherland, UK, Australia, Korea RP, Italy, Germany, <u>Vietnam</u>
10	13021915	Agarose	<u>Vietnam, Thailand,</u> Sri Lanka
11	13021916	Extracts, neem	USA, Italy, <u>Malaysia,</u> Spain, Taiwan, Korea RP, <u>Vietnam,</u> Turkey, Kenya, UAE

12	13021917	Gymnema extract,	Japan, USA, Brazil, China, France, Spain, Czech republic, South Africa, Mexico, <u>Vietnam</u>
13	13021930	Cnsl (cardanol) purified & distilled	Korea RP, Belgium, <u>Vietnam</u> , Mexico, Taiwan, <u>Singapore</u> , Slovenia, Netherland, USA, Australia
14	13021990	Other sap/extracts,Derived from Vegetable Products	China, USA, Germany, Brazil, <u>Philippines</u> , Korea RP, Italy, UK, France, Syria
15	13022000	Pectic Subsncs Pectints & Pectats	Iran, Germany, Czech Republic, Nepal, Sri Lanka, China, <u>Indonesia</u> , Madagascar, UAE, Congo D REP
16	13023100	Agar agar w/n modified	Morocco, Spain, UAE, <u>Thailand</u> , Taiwan, Iran, UK, Netherland, South Africa, Chile
17	13023290	Othr mucilages thickenrs w/n modifd,derivd from locust beans or locust bean seed	China, <u>Indonesia</u> , Australia, Turkey, Pakistan, Korea RP, Germany, Egypt, UK, USA
18	13023900	Othr mucilags & thickenrs whtr/notmodifd, derivd from vegtbl prdcts	Belgium, Russia, Pakistan, France, <u>Thailand</u> , UK, Germany, Tanzania, Lithuania, USA
19	30039021	Menthol crystal	USA, Netherland, Germany, China, <u>Singapore</u> , Hong Kong, <u>Philippines</u> , UK, Poland, France
20	33012590	Others	USA, China, <u>Singapore</u> , Germany, Netherland, Hong Kong, Japan, Iran, France, Paraguay
21	12060010	Sunflower seeds w/n broken of seed qlty	Nepal, UK, Tanzania, Pakistan, Sudan, Netherland, Mauritius, <u>Myanmar</u> , <u>Thailand</u>
22	12060090	Other sunflower seeds w/n broken	<u>Philippines</u> , China, New Zealand, Japan, Nepal, Greece, Israel, <u>Thailand</u> , Spain, Bahrain
23	12112000	Ginsng roots frsh/drid w/n cut crshd/pwdrd	Germany, USA, Poland, Sri Lanka, <u>Malaysia</u> , Bangladesh, Barbados, Portugal
24	12119019	Other seedsfrsh/drid w/n cut crshd/pwdrdusd in perfmry,pharm etc/	USA, <u>Vietnam</u> , Pakistan, Taiwan, Germany, <u>Thailand</u> , Sri Lanka, South Africa, Hong Kong, Korea RP
25	12119022	Senna leaves and pads	<u>Vietnam</u> , Japan, Australia, Poland, China, <u>Philippines</u> , Germany, USA, Egypt, <u>Thailand</u>
26	12119023	Neem leaves/powder	USA, France, Germany, Japan, UK, Canada, UAE, Netherland, China, <u>Singapore</u>
27	12119024	Gymnema powder,	USA, Brazil, Japan, China, Taiwan, Canada, Germany, <u>Malaysia</u> , Slovak REP, Australia

28	12119025	Cubeb powder	Turkey, Mauritius, <u>Singapore</u>
29	12119029	Other leaves, powder, flurs & pods fresh/dried w/n cut crushed/powdered	USA, Bangladesh, Germany, <u>Vietnam</u> , France, <u>Philippines</u> , Madagascar, Japan, Korea RP, UAE
30	12119032	Psyllium husk (isobgul husk)	USA, Germany, Pakistan, Italy, UK, Belgium, Mexico, <u>Malaysia</u> , Australia, China
31	12119033	Cambodge fruit rind/the dried pericap of the fruits of garcinia cambogia	UAE, Qatar, Bahrain, Oman, Netherland, Kuwait, Australia, USA, <u>Malaysia</u> , <u>Singapore</u>
32	12119042	Galangal rhizomes & roots incl. greater galanga	Iran, Saudi Arab, Bahrain, USA, South Africa, Kuwait, Qatar, <u>Malaysia</u> , France, Netherland
33	12119045	Zedovary roots	<u>Vietnam</u> , UAE, Netherland, Germany, Sri Lanka, Italy, Tunisia, Hong Kong, Egypt, France
34	12119047	Sarsaparilla	USA, Italy, Germany, <u>Malaysia</u> , Spain, Sri Lanka, Bangladesh, Maldives, Hungary
35	12119048	Sweet flag rhizome	<u>Indonesia</u> , Pakistan, Netherland, Saudi Arab, Kuwait, Sri Lanka, Bahrain, Bulgaria, USA, Russia
36	12119049	Other roots & rhizomes frsh/drd w/n cut crshd/pwdrd	Sri Lanka, Japan, USA, Pakistan, UAE, Bangladesh, France, <u>Malaysia</u> , Egypt, Germany
37	12119070	Mint,incl. leaves(all species)	Germany, USA, <u>Indonesia</u> , UAE, Australia, <u>Singapore</u> , Belgium, UK, Ireland, Bangladesh
38	12119080	Agarwood (incl dng chips & dust)	UAE, <u>Singapore</u> , Kuwait, Taiwan, <u>Thailand</u> , Switzerland
39	12119092	Tukmaria	Iran, <u>Vietnam</u> , UAE, <u>Thailand</u> , <u>Malaysia</u> , UK, Iraq, Mauritius, USA, <u>Indonesia</u>
40	12119093	Unab (indian jujube or chinese dates)	Germany, <u>Singapore</u> , Saudi Arabia
41	12119094	Basil,hyasop,rose mary sage,savory	Iran, <u>Vietnam</u> , USA, <u>Indonesia</u> , Italy, Korea RP, <u>Thailand</u> , Germany, Japan, Bangladesh
42	12119099	Othr prts of plants usd in perfmry,pharma-cutical etc,frsh/drid	USA, <u>Vietnam</u> , Pakistan, Germany, Nepal, Korea RP, France, China, Sri Lanka, <u>Malaysia</u>
43	9041110	Pepper long	<u>Indonesia</u> , Nepal, Sri Lanka, USA, UAE, Canada, France, <u>Vietnam</u> , Bahrain, Australia
44	9071090	Other cloves	USA, UK, <u>Malaysia</u> , Canada, Australia, Bangladesh, Libya, Fiji IS, Egypt, Argentina

45	11063010	Flour,meal & powdr of tamarind	China, <u>Indonesia</u> , Korea RP, Turkey, Germany, Netherland, UK, Australia, USA, Iran
46	15155010	Crude sesame oil & its fractions	Taiwan, <u>Vietnam</u> , Qatar, Kuwait, Netherland, Mexico, Saudi Arab, USA, UAE, Bahrain
47	15155091	Sesame oil & itsfractions other than crude of edible grade	USA, China, UAE, Singapore, UK, Oman, <u>Malaysia</u> , Taiwan, Canada, Iran
48	15155099	Sesame oil & its frctns other than crude excludng edble grade	Taiwan, Mexico, China, UAE, USA, Netherland, Iran, Germany, Australia, <u>Malaysia</u>
49	15159010	Fixed veg oils (e.g. chul mogra oil, mowra, kokam, tobacco seed, sal)	Italy, UK, Netherland, <u>Malaysia</u> , France, USA, Germany, Australia, New Zealand, Hong Kong
50	15159040	Fixed veg oils of edible grade viz. mango kernel, mahua, rice bran oil	USA, Spain, <u>Thailand</u> , Netherland, Australia, Italy, Taiwan, New Zealand, Poland, <u>Malaysia</u>
51	17029010	Palmyra jaggery	USA, UAE, UK, Canada, <u>Singapore</u> , Australia, Sri Lanka, Oman, Saudi Arab, <u>Malaysia</u>
52	23069014	Oil-cake & oil-cake meal of seasamum seeds expeller variety	Germany, Netherland, Nepal, UAE, Canada, <u>Malaysia</u>
53	23069028	Oil cake and oil cake meal of need seed solvent extracted (defatted) variety	USA, Taiwan, Italy, <u>Singapore</u> , Japan, Korea RP, Liberia, <u>Malaysia</u> , Switzerland, Spain
54	28333090	Other Alum	Bangladesh, Saudi Arabia, <u>Indonesia</u> , Kenya, Sri Lanka, Zambia, Nepal, Nigeria, Egypt, UAE
55	14011000	Bamboos	Australia, Maldives, UK, Nepal, UAE, Japan, <u>Thailand</u> , Germany, South Africa, Hungary
56	14049021	Soap nut powder	USA, Hungary, Korea RP, <u>Singapore</u> , UK, Australia, Italy, Nepal, <u>Malaysia</u> , Mauritius
57	14049029	Other soap nuts	Japan, UAE, <u>Malaysia</u> , <u>Indonesia</u> , Germany, Nepal, Hungary, Saudi Arabi, Hong Kong, USA
58	14049040	Betel leaves	Bangladesh, UK, Pakistan, <u>Malaysia</u> , Taiwan, Sri Lanka, Canada, Kenya, <u>Thailand</u> , Lebanon
59	14049050	Indian katha	Nepal, USA, Pakistan, UAE, Saudi Arab, Sri Lanka, <u>Malaysia</u> , Afghanistan, Bhutan, Kuwait
60	14049070	Rudraksha seed	USA, UK, Sri Lanka, Canada, Pakistan, Italy, Guyana, <u>Malaysia</u> , Germany, Nepal

[Source: Department of Commerce]

India is largely exporting SHEFEXIL products to Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. Above listed SHEFEXIL's products are therefore considered to be established in these ASEAN Countries.

However, India's export of SHEFEXIL products to Brunei, Cambodia and Lao seems to be negligible or lower than exports to Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

India's export to these countries needs specific focus. There is no problem of market access under IAFTA in Brunei and Cambodia as in Brunei most of SHEFEXIL's tariff lines attract zero MFN and in Cambodia, most of the tariff lines are under NT-1 category. In case of Lao, however, market access under IAFTA is poor. Indian origin SHEFEXIL items are either placed under Sensitive track or in Exclusion list by Lao under IAFTA and hence India has to review these tariff lines and seek market access for such tariff lines.

3. ASEAN's import from India:

In order to grow exports to ASEAN, it is imperative to analyze import of SHEFEXIL's products by ASEAN Countries. If ASEAN countries are one of the top ten importers of SHEFEXIL's products, then there is possibility to grow market share in those ASEAN countries.

Therefore, ASEAN's import from India is measured considering following parameters:

- a) Whether import demand in ASEAN countries is significant or not. This is because otherwise there is no scope for increasing exports, as demand itself is low and therefore there is no scope for seeking tariff preferences under IAFTA.
- b) Whether India is one of the top supplying countries for ASEAN countries or not.

The data for this was available at six digit level (sub-heading level) and therefore the study is based on six digit level only.

There are total 47 sub-headings (Six digits HS Code) of SHEFEXIL. However, in case of only 26 sub-headings, ASEAN Country's/Countries' name is registered in the top ten importers' list.

Table 4 – ASEAN's import of SHEFEXIL products, from top 5 supplying countries and India, in Calendar Year 2016.

Shefexil's Tariff Lines at six digit level	World Import Value in USD Million in 2016	Top Ten Importers with % Share in world import in 2016 (Rank - Importing country's name - %share in world import)	Top 5 Supplying Countries for ASEAN importers in 2016 (Rank- Supplying Countries' name - %share in specified country's total import)
0902 20	671.333	5-Viet Nam-4.76	<u>I) VIET NAM</u> 1) China-83.2 2) HK, China-10.2 3) Japan-2.6 4) Taiwan-1.8 5) Thailand-1.7 11) India-import from India is negligible
0909 21	168.893	2-Malaysia-13.30	<u>I) MALAYSIA</u> 1) India-93.2 2) Bulgaria-2.2 3) Russia-1.3 4) Ukraine-1.1 5) Myanmar-0.9
		3-Indonesia-7.00	<u>II) INDONESIA</u> 1) Bulgaria-40 2) Russia-30.7 3) Argentina-15.9 4) Ukraine-8.7 5) Malaysia-2.3 6) India-1.7
		10-Thailand-2.30	<u>III) THAILAND</u> 1) USA-37.6 2) Italy-29.9 3) Malaysia-11.8 4) Bulgaria-10.1 5) China-2.4 7) India-1.9

0910 12	88.631	5-Malaysia-8.08	<u>D) MALAYSIA</u> 1) China-96.4 2) India-2.3 3) Myanmar-0.7 4) Australia-0.3 5) HK, China-0.2
0910 99	774.818	6-Viet Nam-3.18	<u>D) VIET NAM</u> 1) Turkey-76.8 2) India-20.4 3) Indonesia-1.2 4) Sigapore-0.4 5) Brazil-0.4
1302 13	294.529	6-Viet Nam-3.42	<u>D) VIET NAM</u> 1) Germany-54.8 2) USA-43.1 3) HK, China-1 4) Denmark-0.5 5) Slovenia-0.4 India - no imports from India
1302 20	832.862	9-Thailand-2.62	<u>D) THAILAND</u> 1) Brazil-67.5 2) Germany-12.7 3) Mexico-12.7 4) China-4.8 5) USA-0.7 India - no imports from India
1302 31	247.926	7-Thailand-4.67	<u>D) THAILAND</u> 1) China-80.1 2) Chile-16.8 3) Indonesia-1.4 4) India-0.7 5) Taiwan-0.4
3301 24	171.057	8-Indonesia-4.48	<u>D) INDONESIA</u> 1) China-78.6 2) USA-6.9 3) India-5.4 4) Australia-4.1 5) Singapore-2
3301 25	290.264	4-Singapore-7.02	<u>D) SINGAPORE</u> 1) India-68.3 2) China-18.7

			3) USA-7.7 4) France-1.3 5) Indonesia-1.3
0807 20	318.923	8-Singapore-2.8	<u>I) SINGAPORE</u> 1) Malaysia-88.4 2) Philippines-10.1 3) Thailand-0.9 4) Australia-0.2 5) Indonesia-0.1 6) India-0.1
1211 20	575.801	7-Viet Nam-2.97	<u>I) VIET NAM</u> 1) HK, China-90.6 2) S. Korea-7.2 3) USA-1.7 4) Malaysia-0.3 5) Indonesia-0.2 India-No import from India
		10-Singapore-1.89	<u>II-SINGAPORE</u> 1) Canada-27.7 2) China-26.4 3) USA-24.8 4) HK, China-11.8 5) S. Korea-6.8 India-no import from India
1211 90	2519.157	6-Singapore-3.98	<u>I-SINGAPORE</u> 1) China-40.1 2) Indonesia-34.1 3) Malaysia-10.9 4) HK,China-5.4 5) Papua New Guinea-2.1 9) India-0.7
0508 00	165.823	9-Viet Nam-2.4	<u>I-VIET NAM</u> 1) Japan-37.5 2) Australia-15.1 3) Taiwan-10.9 4) Thailand-10 5) New Zealand-5.1 10) India-1.7

0904 11	2161.056	4-Viet Nam-6.9	<u>I-VIET NAM</u> 1) Indonesia-81 2) Malaysia-9.6 3) Singapore-3.9 4) Brazil-3.1 5) India-0.7
		9-Singapore-2.6	<u>II-SINGAPORE</u> 1) Indonesia-61 2) Viet Nam-18.6 3) Malaysia-15.8 4) Brazil-1.7 5) Madagascar-1.5 9) India-0.1
0907 10	429.971	2-Singapore-21.1	<u>I-SINGAPORE</u> 1) Madagascar-69.9 2) Tanzania-15.9 3) Indonesia-5.1 4) Comoros-4.6 5) Brazil-3.9 6) India-0.3
		4-Viet Nam-5.5	<u>II-VIET NAM</u> 1) Madagascar-69.1 2) Indonesia-23.5 3) Singapore-6 4) Brazil-0.7 5) India-0.4
		7-Malaysia-2.1	<u>III-MALAYSIA</u> 1) Singapore-48.3 2) Madagascar-32.9 3) Indonesia-11.9 4) Brazil-2.4 5) France-0.9 12) India-import from India is negligible
1108 19	236.936	3-Thailand-8.6	<u>I-THAILAND</u> 1) Germany-60.8 2) China-18.3 3) Belgium-9.7 4) France-4.1 5) Malaysia-4.1

			20) India-import from India is negligible
		7-Viet Nam-5.1	<u>II-VIET NAM</u> 1) China-85.2 2) Germany-6.4 3) Belgium-3.6 4) Malaysia-2.6 5) Netherlands-1.1 India-no import from India
1515 50	239.433	9-Singapore-3	<u>I-SINGAPORE</u> 1) Malaysia-34.2 2) China-23.1 3) Japan-20.3 4) India-11.4 5) Taiwan-7.3
1702 90	1506.448	1-Philippines-11.3	<u>I-PHILIPPINES</u> 1) China-74.7 2) S. Korea-16.1 3) Thailand-4.6 4) Malaysia-1.9 5) USA-1.3 14) India-import from India is negligible
		9-Indonesia-3.1	<u>II-INDONESIA</u> 1) China-59.2 2) USA-9.8 3) Malaysia-9.3 4) Myanmar-6.4 5) France-4.4 24) India-import from India is negligible
		10-Singapore-2.9	<u>III-SINGAPORE</u> 1) China-37.8 2) Malaysia-18.2 3) Belgium-11.2 4) USA-6.1 5) Indonesia-5.6 17) India-0.3

2306 90	269.632	2-Viet Nam-18.6	<u>I-VIET NAM</u> 1) India-83.4 2) China-16 3) USA-0.5 4) Singapore-0.1
		5-Indonesia-4.2	<u>II-INDONESIA</u> 1) China-50.5 2) USA-48.8 3) India-0.4 4) Russia-0.3
2833 25	410.041	2-Indonesia-5.7	<u>I-INDONESIA</u> 1) Taiwan-59.3 2) Thailand-12.8 3) Russia-10.6 4) Mexico-7.6 5) China-6 16) India-import from India is negligible
		7-Malaysia-3.2	<u>II-MALAYSIA</u> 1) Taiwan-52.3 2) USA-24.4 3) Japan-6.9 4) China-5.9 5) S. Korea-4.5 India-No import from India
		8-Viet Nam-3.1	<u>III-VIET NAM</u> 1) Taiwan-45.6 2) Thailand-32.4 3) Russia-5.1 4) China-4.8 5) S. Korea-4.2 India-No import from India
2833 30	19.666	5-Philippines-4.8	<u>I-PHILIPPINES</u> 1) China-92.8 2) Mexico-6.7 3) Japan-0.4 India-No import from India

2914 29	799.433	8-Singapore-5.2	<u>I-SINGAPORE</u> 1) China-26.6 2) India-23.5 3) Switzerland-16.8 4) Spain-13 5) USA-8.6
4403 99	5554.285	6-Viet Nam-2.1	<u>I-VIET NAM</u> 1) Malaysia-20.1 2) China-19.8 3) USA-14.9 4) Germany-13.8 5) Belgium-9 India-No import from India
3302 90	7531.435	3-Indonesia-4.7	<u>I-INDONESIA</u> 1) Singapore-49.5 2) USA-6.7 3) China-5.3 4) France-5.3 5) Japan-5.3 7) India-5.1
		7-Thailand-3.6	<u>II-THAILAND</u> 1) Singapore-56.8 2) USA-11.6 3) Indonesia-5.3 4) UK-3.8 5) China-3.6 10) India-1.4
		10-Viet Nam-2.6	<u>III-VIET NAM</u> 1) Singapore-61.8 2) China-10.5 3) Indonesia-7.7 4) USA-7.1 5) Netherlands-2.7 12) India-0.7
1401 20	422.4	2-Singapore-10.9	<u>I-SINGAPORE</u> 1) Malaysia-58.1 2) Indonesia-31.2 3) China-10 4) Philippines-0.5 5) Thailand-0.1

			India-no import from India
		7-Thailand-3.5	<u>II-THAILAND</u> 1) Malaysia-59.7 2) China-15.5 3) Cambodia-12.5 4) Myanmar-6 5) Singapore-2 India-no import from India
1404 90	724.838	8-Thailand-3.2	<u>I-THAILAND</u> 1) Indonesia-73.4 2) Malaysia-19.4 3) Lao, PDR-4.2 4) Philippines-1 5) China-0.7 6) India-0.6

[Source: International Trade Centre's (ITC's) Trade Map Tool]

Out of such 26 sub-headings, import of SHEFEXIL's products from India, by ASEAN Countries is summarized as under:

- **Tariff Lines where India's Rank as supplying country is between 1 to 5 – 0909 21, 0910 12, 0910 99, 1302 31, 3301 24, 3301 25, 0904 11, 1515 50, 2306 90 and 2914 29.** Hence there is a scope for improving market share as Indian products are already accepted.
- **Tariff Lines where India's Rank as supplying country is between 6 to 10 – 0807 20, 1211 90, 0508 00, 0907 10, 3302 90, 1404 90.** For these products, efforts are to be made to make products price competitive.
- **Tariff Lines where import from India was negligible – 0902 20, 1108 19, 1702 90, 2833 25.** Aggressive Marketing is needed in these cases as competition is very high.
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- **Tariff Lines where there was no import from India** – 1302 13, 1302 20, 1211 20, 2833 30, 4403 99, 1401 20. Penetration tactics should be used to promote products and establish “made in India” products.
- India faces competition largely from Taiwan, Hong Kong-China, China, USA, EU countries and ASEAN Countries (due to regional trade amongst ASEAN countries)

4. Inputs for better negotiations under Regional Comprehensive Economic Partnership (RCEP):

- India should seek better market access from ASEAN countries, under RCEP negotiations, especially for those tariff lines (of SHEFEXIL) which are kept in Sensitive Track and Highly Sensitive List.
- For ASEAN this should be acceptable as it has already provided zero duty market access to its regional trade partners as well as other FTA partners like China, S. Korea, Australia and New Zealand.
- If under RCEP, India does not receive duty free market access for SHEFEXIL products, competitiveness of SHEFEXIL’s products would decline, as other member countries of RCEP are already getting duty free market access under existing FTAs.
- There are no product specific Rules of Origin (ROO) under IAFTA for SHEFEXIL products. Otherwise also most of them are home grown or originated in India and hence there is no much worry on this aspect. Similar ROOs can be followed under RCEP negotiations as well.
- There has to be harmonized system of Quality, SPS, Labeling and TBT standards under RCEP. This will reduce transaction costs for Indian products as in few countries like China stringent standards are applicable which erodes our exports, particularly exports by Small and Medium Enterprises.

5. Summary:

India’s export of SHEFEXIL purview is better but import demand of raw products is not very high in ASEAN Countries.

India is not getting enough market access in Indonesia, Lao, Myanmar, Philippines and Thailand. Therefore the IAFTA should be reviewed so as to get better market access, particularly where MFN Rates are lowered substantially during period 2007-2017.

The nature of products under SHEFEXIL's products is different. These products are low value products. Further, there are different varieties of the same products (for example Ginseng Roots. Indian Ginseng varies from Ginseng found in North America and East Asia. Other such products are - Green Tea, Asafoetida etc.). Patents (for example patenting neem seeds or Indian Ginseng Roots) and Branding will help Indian origin products to fetch better prices as well as better market access.

India must seek equivalent market access which ASEAN has given to other RCEP member countries (China, Australia, New Zealand and S. Korea) under RCEP negotiation.

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For Helpline Impex Pvt. Ltd.



[Sudhakar Kasture]
Director

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