

Analyzing India's 'Look East to Act East Policy' in India's Trade Pattern with ASEAN



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Abstract

As it is vibrant from the theme that this study is concentrated on trade relations of India with Association of South East Asian Nation member countries, as it has seen significant changes after primer of 'Look East Policy' (LEP) by India in 1991. The partnership between India and ASEAN has been emerging at relatively a fast paces. India grow into a sectoral dialogue partner of ASEAN in 1992; and at the fifth ASEAN summit in Bangkok in 1995 India turned out a full dialogue partner of ASEAN. In July 1996 India furthermore became a member of the ASEAN Regional Forum (ARF). In 2014 India renovated its 'Look East Policy' into 'Act East Policy' (AEP) with the intention of strengthening its relations with Asian countries, and during the 11th East Asian Summit in 2016; the Indian Prime Minister has said that 'ASEAN is central to India's Act East Policy' (Daily Pioneer news, Dec, 2016). Consequently ASEAN became an imperative trade destination for India, and at present ASEAN is fourth largest trade partner of India in world. Thus this study analyzes trade growth of India with ASEAN member countries after 1995, after India became full dialogue partner of ASEAN. Therefore this study has been organized in order to observe the trade pattern of India with ASEAN during 1995-96 to 2017-18. This study discovers that trade of India with ASEAN countries has seen an increasing trend; it shows that after proclamation of "Look to Act East policy" of India, ASEAN as a region has accomplished a eminence of substantial trade partner of India.

Keywords: ASEAN, LEP, Trade, Economic, AEP

JEL Classifications: F10, F15, F17

Introduction

Association of South East Asian Nations (ASEAN) is a geo political and economic organization of ten nations placed in Southeast Asia. ASEAN consists of 10 member nations; Brunei Darussalam, the kingdom of Cambodia, the republic of Indonesia, the Lao PDR, Malaysia, the union of Myanmar, the republic of Philippines, the republic of Singapore, the kingdom of Thailand and the socialist republic of Vietnam. ASEAN's aim is to promote economic growth, social progress and cultural development in the region through free trade and economic cooperation. ASEAN has been escalating commercial assistance and incorporation in the direction of the aim of forming an ASEAN Economic Community whose members are known collectively as the ASEAN Member States or ASEAN. India's trade affairs with ASEAN have seen significant changes after introduction of 'Look East Policy' by India in 1991. The partnership between India and ASEAN has been rising at rather profligate strides. India converted a sectoral dialogue companion of ASEAN in 1992; and it turned out to be a full dialogue companion of ASEAN at the fifth ASEAN summit in Bangkok in 1995. India also became a member of the ASEAN Regional Forum (ARF) in July 1996. The first ASEAN-India summit, which held in Phnom Penh, Cambodia in November 2002 was a landmark achievement for India. India and ASEAN have been farming summit level meeting on an almanac basis since 2002. After becoming full dialogue partners, the functional cooperation in political, security and economic sectors has been exceeded between India and ASEAN. India has been participating in number of consultative meetings with ASEAN under the ASEAN-India dialogue relations, it comprise summit level meetings, ministerial meetings, senior officials meetings and meetings at expert level. In 2014 India renovated its 'Look East Policy' into 'Act East Policy' with the intention of strengthening its relations with Asian countries, and during the 11th East Asian Summit in 2016; the Indian Prime Minister has said that 'ASEAN is central to India's Act East Policy' (Ministry of external affairs, Jun 22, 2017). Consequently

ASEAN became an important trade destination for India, and at present ASEAN is fourth largest trade partner of India in world. Thus it has become imperative to analyze trade growth of India with ASEAN member countries after 1995, when India converted full dialogue partner of ASEAN. Therefore this study has been organized in order to observe the trade pattern of India with ASEAN during 1995-96 to 2017-18.

Review of Issues on Trade affairs of ASEAN-

The Association of South East Asian Nations was made in 1967, and after that it started to sprinkle in world trade, and it had attracted so many researchers to explore about the growth of this socio-economic association. As Masron and Yusop, (2008), have discussed about the growth of core ASEAN countries i.e. Singapore, Thailand, Malaysia, Myanmar and Philippines. They presented that their relations with other countries like India and China have great impact on their development. Some researchers have tried to study the inter-trade among the members of this association as Cuyvers, *et al.* (2017), have thrown light on the high potential export opportunities of Thailand with ASEAN-3 countries. The study has used decision support model and revealed that ASEAN-3 countries account for 40 percent trade of Thailand so they should obtain more concentrated devotion and resources in government export up gradation schemes. They have suggested in this study that Thailand should adopt a resilient regional attention on its export activities to get the benefit of the ASEAN Economic Community and the proposed establishment of an East Asia Free Trade Area. Further Othman, L. & *et al.*, (2018) have presented in their study about the economic conditions of Malaysia, Indonesia, Singapore, Thailand and Philippine (ASEAN-5), and trade relations between 5 major ASEAN countries and India and China. The study presents the impact of government expenditure on inflow of foreign direct investment in these economies. The study has applied the time series analysis, and it finds out that the government expenditure underwrites positively to the FDI inflows in the economy. Thus many researchers have worked on the trade affairs of this emerging association and presented that how the trade structure and pattern of its member countries as well as other countries of the world have been transformed after formation of ASEAN.

Review of issues on trade among India and ASEAN

As during 1990s India has adopted the concept of globalization and the Look East Policy of India is the further development in this area. Since with this policy so many directional and structural changes have been taken place in India's international trade. Many laureates have done their research in this area and given their contribution, and here we have presented some of them. In his study Krueger, Anne O, (2008), has analyzed the role of international trade policies on India's trade after 1990s. In this paper, firstly the trade and economic issues before 1990s government have been defined. After that the economic policy reforms that invaded

rightly on the trade sector have been looked into, and the reaction of exports and imports to those modifications have been outlined. The exports have seen rapid increase and its share in GDP has increased from 5% to 15%, and they continued to grow with annual rate of 20%. The study concluded that the enhanced performance of the trade sector has been a chief contributing aspect in India's intensely enriched growth concert. Finally the study presented the current situation of India's trade and analyzed the changes in foreign trade policies of India. Sohrabji. (2010), has analyzed the sustainability of India's current account situation during the last decade by adopting the intertemporal solvency model of Hakkio and Rush and Husted. Some other measures like change in trade duties have been analyzed by Aggarwal, (2010), he tried to measure the effect of India's anti-dumping duties levied on 177 (8 digit) products. The study has used the panel regression and presented that there have been some evidences that India's trade has been diverted from named to south East Asian countries.

India's regional cooperation with ASEAN has seen a tremendous change in international trade of India, as Chodhary. (2013), threw light on the trend of ASEAN- India trade for the period of 1980 to 2009. The purpose of this paper was to analyze the trade growth and trade direction of India- ASEAN and to discover out the explanations of altering direction of India's trade with ASEAN countries. To calculate growth tendencies, test of significance with regression coefficients were implied, the findings of the study showed that importance of ASEAN has increased since 1980, it was visible fact that in contrast to ASEAN exports, India's exports were became 70 times in 2009 likened to 1980. The results of this study showed that the direction of India's trade with ASEAN was changing over time; the growth of CLMV (Cambodia, Laos, Myanmar, and Vietnam) also confirmed that ASEAN on the ASEAN on the entire had a abundant trade prospective and India- ASEAN trade had a lot of room for future. Additionally Nath Jha & Salim. (2015), had illustrated the picture of regional cooperation for development of trade between India with ASEAN. This was an empirical study, and exploratory research techniques were used in this paper. The study was grounded on secondary data, collected from different journals, articles and websites. The statistical tools like mean, percentage change, correlation etc. were used for data analysis. The study revealed that India's trade with ASEAN had a noticeable place and it was inflated inefficiently. The study recommended that India should be further concern on the trade enlargement with ASEAN countries.

In so many reviewed literature it had been find out that after 1990's India's trade arrangement have seen a significant changes and in this lieu India's 'Look East Policy' have played an important role, and because of its importance Indian government have transformed this policy into 'Act East Policy' and given more emphasis to the southeast Asian nations. So it became imperative to analyze the consequence of these political decisions

on the pattern and growth of trade of India with ASEAN member countries.

Objective of the Study

Objective of this study is to analyze trade growth and pattern of India with ASEAN in relations of export and imports during 1996-97 to 2017-18.

Methodology and Data Sources

Empirical research methods have been used in this study. For the persistence of the study, secondary data have been used, which have been collected from the numerous published literature, newspapers, journal articles, books and websites etc. The main source of secondary data has been the online databank of Ministry of Commerce, Government of India, Handbook of India statistics, ASEAN statistical year book and economic survey. After collection of secondary data, the data have been appropriately categorized and statistically analyzed with the applicable tools such as mean, percentage change, correlation and compound annual growth rate etc.

Analysis of the Objectives

Trade of India with ASEAN Countries in Relation of Exports and Imports Growth and Pattern during The Period of 1996-97 to 2017-18

An investigation of table-1 shows that through 2017 -18 India's exports to ASEAN countries reached about 11 times than exports of India to ASEAN in 1995- 96. Export of India to ASEAN

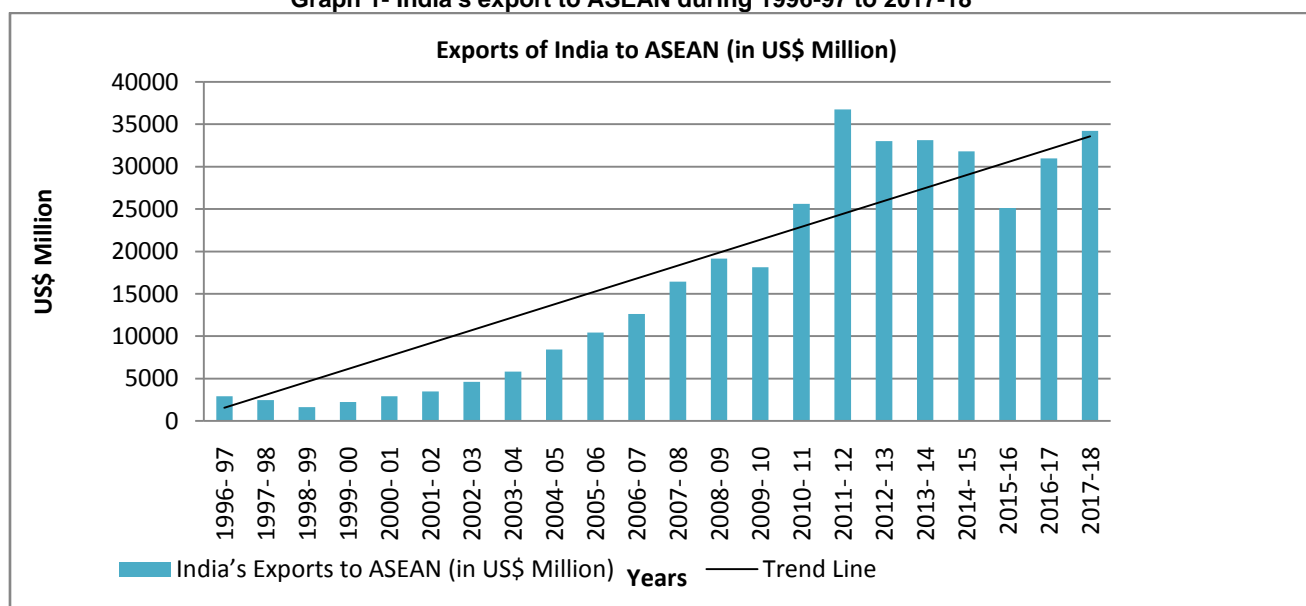
were 2902.45 US\$ millions in 1995- 96, and it was declined by 33.87% because of Asian crisis during 1998 -99 and reached to 1629.98 US\$ millions. But after it our exports has increased by 4 times in 2004 -05, with highest positive growth of 44.73% and reached to the level of 8425.89US\$ millions. The exports value has reached to its highest volume with 36744.35 US\$ millions in 2011-12. But it has declined by 10.7% in next year i.e. 2012-13, this decline was because of the effects of economic disturbance of China, as China is a major importer of ASEAN countries, and because of economic crisis its imports from ASEAN has declined and as a result of it the ASEAN's imports from India has faced a major decline. And exports of India to ASEAN, reached at its level of 33133.5 US\$ millions in 2013- 14. Though between 2009- 10 and 2013- 14 the shift of growth slackened down, exports raised only by 1.5 times, and became 33133.55 US\$ millions. In 2015-16 India's exports to the world have been decreased by 15 percent and its exports to ASEAN have been decreased by almost 21 percent. This decline was because of the slower world trade growth and appreciation of Indian currency. Exports of India to ASEAN grew from 1995- 96 to 2017 -18 with the compound annual growth rate (CAGR) of 11.86 percent. This is overall a good indication for cooperation amid India and ASEAN.

Table 1- India's Exports to the World and ASEAN during 1996-97 to 2017- 18

Year	India's Exports to the World (in US\$ Million)	Growth (% Changes Over the Previous Year)	India's Exports to ASEAN (in US\$ Million)	Growth (% Changes Over the Previous Year)
1996- 97	33469.95	-	2902.45	-
1997- 98	34784.98	3.93	2464.78	15.08
1998- 99	33218.72	4.50	1629.98	33.87
1999- 00	36822.49	10.85	2237.50	37.27
2000- 01	44560.29	21.01	2913.78	30.22
2001- 02	43826.72	1.65	3457.01	18.64
2002- 03	52719.43	20.29	4618.54	33.60
2003- 04	63842.55	21.10	5821.71	26.05
2004- 05	83535.95	30.85	8425.89	44.73
2005- 06	103090.53	23.41	10411.30	23.56
2006- 07	126414.05	22.62	12607.43	21.09
2007- 08	163132.18	29.05	16413.52	30.19
2008- 09	185295.36	13.59	19140.63	16.62
2009- 10	178751.43	3.53	18113.71	5.37
2010- 11	249815.55	39.76	25627.89	39.76
2011- 12	305963.92	22.48	36744.35	43.38
2012- 13	300400.58	1.82	33008.21	10.7
2013- 14	314405.30	4.66	33133.55	0.38
2014- 15	310,338.48	1.29	31,812.58	3.98
2015-16	262,291.09	-15.48	25,133.37	-21.00
2016-17	275,852.43	5.17	30,961.62	23.19
2017-18	303,526.16	10.03	34,203.70	10.47

Source: Ministry of Commerce, Govt. of India 2017-18

Graph 1- India's export to ASEAN during 1996-97 to 2017-18



Source: compiled by researcher on the basis of data from Ministry of Commerce, GoI.

The given graph presents exports of India to ASEAN countries over the period of 1996- 97 to 2017- 18, and it consist many fluctuations during the study period. Here the trend line has been plotted for this data and the trend line is showing progressive trend and it presents that India's exports to the ASEAN countries have amplified with positive trend over the period of 1996- 97 to 2017- 18.

India's Imports from ASEAN over the period of 1996 -97 to 2017- 18

India is a vast country; it has to imports so many commodities in order to fulfill the needs and desires of its 1.2 billion populations. Table 2 displays the tendencies in India's imports with ASEAN countries over the period of 1995- 96 to 2017- 18. Throughout the period total imports observed a progress of more than 15 times, from 2934 US\$ millions to 47133.69 US\$ millions in 2017- 18. Between, 1995 -96 to 2001 -02 imports have seen an increase of around 2.5 times. During 2002 -03 to 2008- 09 more than 5 times growth in imports has been achieved. In 2009-10 imports value has declined to 25797.96 US\$ millions, but in next years it has started to increase. During 1995- 96 to 2009- 10 imports raised by 10.5 times, but between, 2009- 10 and 2014- 15 it raised by almost 2 times. In 2015-16 due to slow growth of world trade India's imports from ASEAN have been declined by 10.57 percent than earlier, but again it started to grow positively.

India's imports to ASEAN countries grew from 15.76% in 1997-98 to 27.11% in 1998 99. It is important to notice here that in 2000 -01 imports dropped by 10.41% over the former year. With angrowing trend in 2006 -07 imports raised at its maximum rate by 66%. Further imports decline in 2009 10 by 1.55%, and in 2012- 13 imports reached to 42866.36 US\$ millions by the small increase of 1.68%, the imports further declined by 3.7% in 2013-14, and in 2014 -15 imports grew by 8.32% over the

previous year and touched the level of 44,714.77 US\$ millions. Imports grew from 1996- 97 to 2017- 18 with compound annual growth rate (CAGR) of 13.45%.

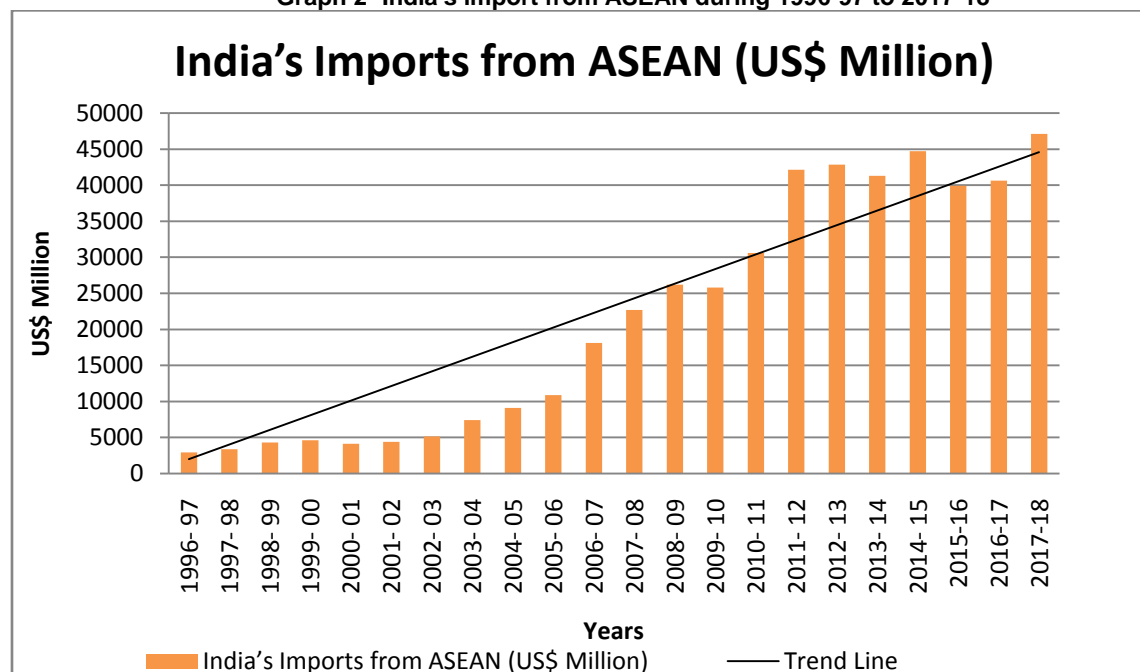
We can see in the given table2, that India's imports from world and ASEAN countries has increased over the era of 1996 -97 to 2017 -18, Imports increased with varying rate during the study period. India's imports from world has declined during the periods of 2009- 10, 2013- 14 and 2014- 15, the highest decline was the decrease in imports by 8.57% in 2013- 14. Between 1996- 97 and 2014- 15 imports from the world grew by 10 times, and during the same period of time imports from ASEAN countries grew by almost 15 times. The imports of India from ASEAN can be viewed graphically in graph 2. The overall import pattern of India with ASEAN has been accumulative.

The world trade consequences endures to be depressed with merchandise trade value growth sliding into adverse territory in 2015 for the first time since the adverse growth in 2009, in the aftershock of the 2008 global financial crisis. While both world GDP growth and world merchandise trade growth were adverse in 2009, but in 2015 only world trade growth was in adverse terrain. In 2015 the world merchandise trade volume grew at 2.7 Percent was sluggish than the world GDP growth of 3.2 percent. Although the India economy has one optimistic predicament in the global scenery, and has become one of the firmest growing economy in the world, in the export obverse but India was also not protected from the worldwide shockwaves with export progress and it declined at 15.5 per cent in 2015-16, and with ASEAN countries it was declined by 21 percent. Even India's export volume progression which frequently has been overhead world export volume growth was less than it in 2015. And after it India's exports have been recovered and again on track to rise.

Table 2- India's Imports with World and ASEAN

Year	India's Imports from World (US\$ Million)	Growth (%Changes over the previous year)	India's Imports from ASEAN (US\$ Million)	Growth (% change over the previous year)
1996- 97	39132.41	-	2934.00	-
1997- 98	41484.49	6.01	3396.44	15.76
1998- 99	42388.71	2.18	4317.38	27.11
1999- 00	49738.06	17.34	4629.16	7.22
2000- 01	50536.45	1.61	4147.48	10.41
2001- 02	51413.28	1.74	4387.22	5.78
2002- 03	61412.14	19.45	5150.17	17.39
2003- 04	78149.11	27.25	7433.11	44.33
2004- 05	111517.43	42.70	9114.66	22.62
2005- 06	149165.73	33.76	10883.67	19.41
2006- 07	185735.24	24.52	18108.48	66.38
2007- 08	251654.01	35.49	22674.81	25.22
2008- 09	303696.31	20.68	26202.96	15.56
2009- 10	288372.88	5.05	25797.96	1.55
2010- 11	369769.13	28.23	30607.96	18.64
2011- 12	489319.49	32.33	42158.84	37.74
2012- 13	490736.65	0.29	42866.36	1.68
2013- 14	450199.79	8.26	41278.09	3.71
2014- 15	448,033.41	0.48	44714.77	8.32
2015-16	381,007.76	-14.96	39909.60	-10.75
2016-17	384,357.03	0.88	40617.31	0.88
2017-18	465,580.99	21.13	47133.69	16.04

Source: Ministry of Commerce, Govt. of India 2017-18

Graph 2- India's import from ASEAN during 1996-97 to 2017-18

Source: compiled by researcher on the basis of data from Ministry of Commerce, GoI.

Here we can see in this graph that India's imports from ASEAN countries has grown over the period of 1996- 97 to 2017- 18. The trend line has been plotted for these data of India's imports from ASEAN and it is showing positive trend of India's imports from ASEAN countries and it illustrates that India's imports from ASEAN countries have been positively increased over the era of 1996- 97 to 2017-18.

India's Balance of Trade with ASEAN during 1996-97 to 2017-18

Balance of Trade signifies the differences of imports and exports of a merchandise of a country during the course of year. As we know that Balance of Trade replicates the situation of a country in international trade. The study of it tells us that whether the country has positive or negative trade relations with its partner country. Here the table3 presents India's balance of Trade with ASEAN during 1996-97

to 2017-18. We can see that India has always undesirable balance of trade with ASEAN countries throughout the period of 1996- 97 to 2017- 18. It means that India has been importing more than exports with ASEAN countries. There has been a small gap between exports and imports during 1996-97 to 2005- 06, but this gap has been started to widen up after 2005- 06. In 1996- 97 the negative Balance of Trade was 31.55 US\$ millions and it was reached to the level of (12902.2 US\$ millions) in 2014- 15, and in 2017-18 it became 12929.99 US\$ millions.

Exports and imports of India with ASEAN countries have been statistically observed by coefficient of correlation (r), which is 0.987. It is very near to the perfect association between these variables (exports and imports). It worth that exports and imports are intensely allied with each other. Here the compound annual growth rate (CAGR) of India's exports and imports to ASEAN has been also presented, CAGR of imports (13.45 percent) are higher than CAGR of exports (11.86 percent) during the period for 1996- 97 to 2014 15.

Table 3 -India's Trade with ASEAN countries: Exports and Imports (in US\$ Millions)

Year	Exports	% Changes over Previous Year	Imports	%Changes Over Previous Year	Total Trade	Trade Balance
1996- 97	2902.45	-	2934.00	-	5836.45	-31.55
1997- 98	2464.78	-15.08	3396.44	15.76	5861.22	- 931.66
1998- 99	1629.98	-33.87	4317.38	27.11	5947.36	- 2687.4
1999- 00	2237.50	37.27	4629.16	7.22	6866.66	-2391.66
2000- 01	2913.78	30.22	4147.48	-10.41	7061.26	- 1233.7
2001- 02	3457.01	18.64	4387.22	5.78	7844.23	- 930.21
2002- 03	4618.54	33.60	5150.17	17.39	9768.71	- 531.63
2003- 04	5821.71	26.05	7433.11	44.33	13254.82	-1611.4
2004- 05	8425.89	44.73	9114.66	22.62	17540.55	- 688.77
2005- 06	10411.30	23.56	10883.67	19.41	21294.97	- 472.37
2006- 07	12607.43	21.09	18108.48	66.38	30715.91	- 5501.05
2007- 08	16413.52	30.19	22674.81	25.22	39088.33	- 6261.29
2008- 09	19140.63	16.62	26202.96	15.56	45343.59	- 7062.33
2009- 10	18113.71	5.37	25797.96	1.55	43911.67	- 7684.25
2010- 11	25627.89	39.76	30607.96	18.64	56235.85	-4980.07
2011- 12	36744.35	43.38	42158.84	37.74	78903.19	- 5414.49
2012- 13	33008.21	-10.7	42866.36	1.68	75874.57	- 9858.15
2013- 14	33133.55	0.38	41278.09	3.71	74411.64	- 8144.54
2014- 15	31812.58	-3.98	44714.77	8.32	76527.35	-12902.2
2015-16	25133.37	-21.00	39909.60	-10.75	65042.97	-14775.63
2016-17	30961.62	23.19	40617.31	0.88	71578.93	-9655.69
2017-18	34203.70	10.47	47133.69	16.04	81337.39	-12929.99

Correlation(r) of exports and imports= 0.987

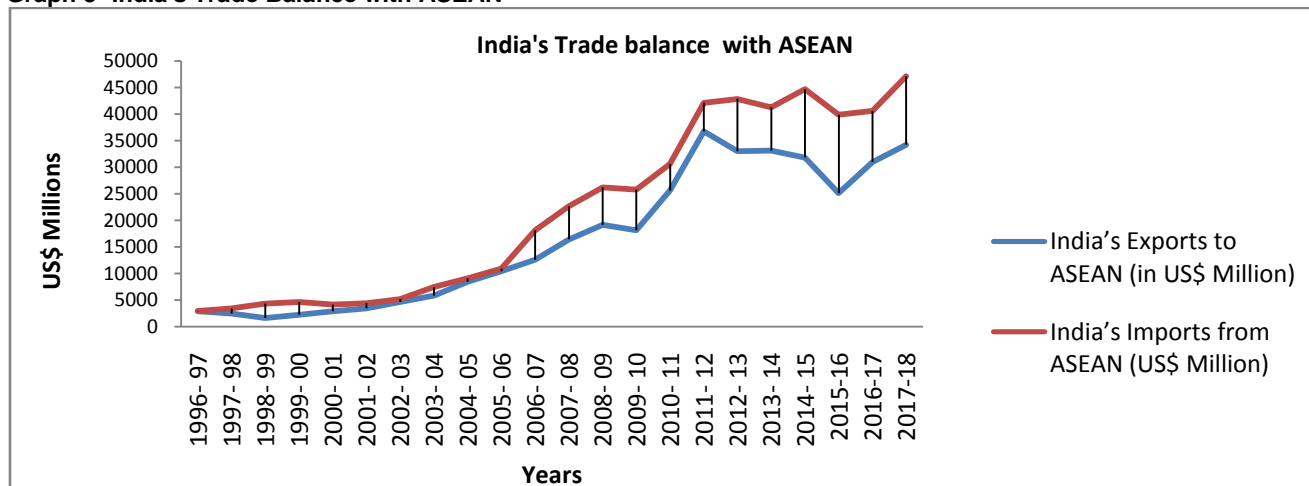
Source: researcher's calculation based on data from Ministry of Commerce, Govt. of India.

Table 5.4. CAGR of India's exports and imports with ASEAN

CAGR of India's export to ASEAN (1995- 96 to 2017- 18)	CAGR of India's Import from ASEAN (1995- 96to 2017-18)
11.86%	13.45%

Source: calculated from data taken from Ministry of Commerce, Govt. of India.

Graph 3- India's Trade Balance with ASEAN



Source: compiled by researcher on the basis of data from Ministry of Commerce, Gol.

Here we can see in this graph that India's exports and imports both have increasing trend over the period of 1996- 97 to 2017- 18, but the growth rate of imports are higher than exports, and because of it India is facing the unfavorable trade balance with ASEAN countries, and this gap is widening year by year.

India's exports and imports both have increasing trend over the period of 1996- 97 to 2017- 18, but the growth rate of imports are higher than exports, and because of this, India is facing the unfavorable balance of trade with ASEAN countries. CAGR of imports (13.45%) are higher than CAGR of exports (11.86%) during the period for 1996- 97 to 2017-18. Contrariwise our Trade Balance always has been unfavorable for India; it displays that India's exports to ASEAN countries have increased efficiently in relations of growth rate but not in terms of volume. Henceforth, India's exports to ASEAN countries are desired to be efficiently enhanced in volume.

Findings and Conclusions of the study-

The pattern and structure of India - ASEAN trade has seen many changes during the study period. The share of ASEAN countries in total trade of India has consistently increased, and the volume of exports and imports between India and ASEAN has also improved, though the growth of India's imports from ASEAN countries is higher than the growth of India's exports to ASEAN countries. The rise in trade, between these major economic regions, demonstrates the existence of strong trade relations between them, and on this basis conclusion inevitably emerges that after announcement of Look East Policy ASEAN as a region has achieved the eminence of a substantial trade companion of India.

The intensification in India's exports to ASEAN region is a strong signal of the intrinsic potential of India and additionally it presents the need to inspect the achievements made in constructing the economic relationship between the two. It should be noted that India would not arise on the international scenario till it initiated to engage with ASEAN and the other East Asian countries. India- ASEAN summit level meetings and other developments have aided India and ASEAN to become major powers of the world.

We have seen that India's exports and imports with ASEAN countries, both have increased over the era of 1996- 97 to 2017- 18, it shows that after announcement of India's "Look East policy", ASEAN as a region has achieved a eminence of important trade partner of India during the study period. (S. Choudhary, 2013) in her study also presented that ASEAN's prominence has been amassed for India since 1980. ASEAN as a region has played an extreme enthusiasm. This specifies that with India's sustained economic growth and improved independent liberalization, there is a huge unused possibility for expansion of ASEAN-India merchandise trade from the current levels. (Shankar Nath Jha & Mohd. Salim, 2015) they also concluded in their study that between 2001- 02 and 2013- 14 India's total trade with ASEAN has grown by more

than 10.5 times growth but India's imports from ASEAN countries were higher than India's exports to ASEAN countries. So there is the need to increase India's exports in volume to ASEAN countries.

Though the percentage share of ASEAN countries in India's total trade has seen a very small increase during the study period, it has positive trend in relations of percentage share in exports, imports and total trade, so it may be said that the trade among India and ASEAN countries are going in an affirmative direction.

Policy Implications

On the basis of the findings of this study some policy implications have been suggested. As it has been found in this study that in recent years India's imports from ASEAN countries were more than India's exports to ASEAN countries and ASEAN has penetrated India's market to a larger degree than India has been capable to do for the ASEAN markets. One cause for this might be the statistic that India was extra protectionists than ASEAN and after the trade agreements India's degree of openness is rising rapidly. So the exports are needed to be increased by India in future and there is the need to give more attention on India's exports promotion policies to ASEAN countries. India should form a special export promotion policy for ASEAN, which can inveterate the quality norms its exporting commodities, so that the exported commodities by India can compete with other Asian countries in ASEAN market. Along with it government of India should formulate an "Export Growth Plan", which can help India in making effective presence in big market of ASEAN region. This plan should identify the selective thrust areas for exports of goods in which India has comparative advantage, and this plan should try to provide technical and other support to increase the quality and productivity of these commodities.

Trade liberalization is important, but sometimes it is not adequate to enhance country's trade. The high cross border transportation cost is a big hurdle in trade between India and ASEAN. Improved connectivity would lead to reduced trade cost, raise trade flow and expand market. India is bordered with many countries and Myanmar is one of them, so in order to enhance the connectivity and trade, 'many projects like India Myanmar- Thailand Trilateral Highway, Delhi-Hanoi Railway Link, Kaladan Multimodal Transit Transport Project and Mekong-India Economic Corridor etc' (Palit, 2018) , have been underway by the mutual support of ASEAN and India. It is suggested that institutional support and government commitments should overcome the various obstacles which slow down the development of these projects. The deeper regional cooperation and government support among India and ten ASEAN countries would help to complete these projects and intensify the connectivity and trade between these two dynamic regions.

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