Abstract

The Associations of Southeast Asian Nations (ASEAN) has followed a slow step-by-step approach in changing regional cooperation in order to make it more legally binding with institutionalized agreements. Certain external events, such as Free Trade Agreements (FTAs) involving ASEAN's important trading partners, have stimulated faster integration among member countries. Now ASEAN has become a successful regional organization in bringing the attention of the other countries in rest of the world. Through ASEAN's establishment, it prioritizes economic growth and development, social and culture in the countries of Southeast Asia. Apart from that, ASEAN tries to protect mutual interest and creating regional solidarity as well as promoting regional peace and stability. This paper tries to study the evolution of ASEAN, aims and purposes and fundamental principles of ASEAN and also makes an endeavor to understand the trade profile of ASEAN and agreements with ASEAN.

I. INTRODUCTION

The Associations of Southeast Asian Nations (ASEAN) was formed in 1967 with five nation members: Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Later on, Brunei Darussalam (1984), Vietnam (1995), Laos (1997), Myanmar (1997) and Cambodia (1999) joined the association. ASEAN was established to accelerate economic growth and promote regional peace and stability, while enhancing cooperation on economic, social, cultural, technical, and educational matters. Since its founding, ASEAN’s economic integration progress has been affected by various factors. As a largely voluntary organization with an economically and politically diverse membership, ASEAN has followed a slow step-by-step approach in changing regional cooperation in
order to make it more legally binding with institutionalized agreements. Certain external events, such as Free Trade Agreements (FTAs) involving ASEAN’s important trading partners, have stimulated faster integration among member countries. Now ASEAN has become a successful regional organization in bringing the attention of the other countries in rest of the world. Through ASEAN's establishment, it prioritizes economic growth and development, social and culture in the countries of Southeast Asia. Apart from that, ASEAN tries to protect mutual interest and creating regional solidarity as well as promoting regional peace and stability.

Generally, ASEAN has successfully nurtures the cooperation in political, economical, social and cultural with establishment in exercise and research facilities for shared interest. Now days, ASEAN roles and influence has strong base in Southeast Asia and South Asia regions. ASEAN has taken place as important body in Asia Pacific political stream through Asian Regional Forum (ARF), where it is successful to create attention of various countries not only in Asia region but also United States of America and Europe involvement. Nevertheless, beside the successful story and prosperity achieved by ASEAN at this moment it has uniqueness when it has to face challenges at the early stage of ASEAN establishment. The ASEAN Charter entered into force on 15 December 2008. With the entry into force of the ASEAN Charter, ASEAN established its legal identity as an international organization and took a major step in its community-building process. The ASEAN Community is comprised of three pillars, the Political-Security Community, Economic Community, and Socio-Cultural Community.

ASEAN’s primary mode of activity is inter-governmental meetings among the representatives of the ten member states. ASEAN institutions do not include any sort of assembly representing the people of ASEAN, although various ASEAN institutions maintain contact with civil society organizations in the region and the ASEAN Inter-Parliamentary Assembly. The latter is not officially a part of ASEAN as to date, only eight member countries’ political systems incorporate representative legislative bodies.

II. OBJECTIVES OF THE STUDY
• To study the evolution of ASEAN, aims and purposes and fundamental principles of ASEAN
• To understand the trade profile of ASEAN and agreements with ASEAN

III. Association of South East Asian Nations (ASEAN)
Association of South East Asian Nations (ASEAN) is not a military pact, on the other hand it is a regional organization with a target to establish economic cooperation, politics, social and culture. Through ASEAN's establishment, it prioritizes economic growth and development, social and culture in the countries of Southeast Asia. Apart from that, ASEAN tries to protect mutual interest and creating regional solidarity as well as promoting regional peace and stability. ASEAN too aims to encourage peace and political stability founded by the principles of United Nations (UN), besides fostering
cooperation and close relationship between nations and other organizations. Therefore, ASEAN members should comply with the rules and regulations when building regional ties and observe the UN charter. Furthermore, ASEAN aims to promote a more effective cooperation in the industrial and agriculture field, expand trade, increase transportation and relationship development as well as the living standard in membering countries. Moreover, to strengthen present regional ties, ASEAN encouraged a more effective cooperation in matters pertaining economy, social, culture, technical, science and administration. Through the establishment of ASEAN, assistance in terms of training and research especially in education, professional, technical and administration can be channeled. Through ASEAN, a more effective cooperation in the sectors of agricultural, industry, trade expansion including study on society and regional culture can be developed. This cooperation aims to upgrade society’s standard of living and make this region a developed and competitive region. Studies on ASEAN are encouraged to ensure cultural relationship and regional interest can be shared together by membering countries.

IV. EVOLUTION OF ASEAN
The ASEAN declaration was signed on the 8th August 1967 at Bangkok, Thailand by the foreign ministers of five original member countries namely Indonesia, Malaysia, Philippines, Singapore and Thailand. The aims and purpose of ASEAN is to cooperate in the economic, social, cultural, technical, educational and other fields, and in the promotion of regional peace and stability through abiding respect for justice and the rule of law and adherence to the principles of the United Nations Charter. The ASEAN membership expanded and currently stands ten with Brunei Darussalam joined ASEAN on 8 January 1984, Vietnam on 28 July 1995, Lao PDR and Myanmar on 23 July 1997, and Cambodia on 30 April 1999. ASEAN is the major regionalism initiative in South East Asia designed mainly with political purpose for political stability and regional harmony. Economic dimension is added to the ASEAN to consolidate the market, efficient resource allocation within the region, regionalization of production networks and reap economies of scale. Even though the East Asian crisis questioned the validity of the miracle theory, it strengthened the resolve among ASEAN nations to increase regionalism efforts through innovative real and financial integration schemes.

ASEAN Free Trade Area (AFTA) is the essence of ASEAN economic integration. AFTA was launched in 1992 to promote the region's competitive advantage as a single production unit. It is a cooperative arrangement among the member countries whereby intra-regional tariffs will be brought down to within the 0-5 tariff bound over a period of time, ie 2002 for ASEAN -6, 2006 for Vietnam, 2008 for Lao PDR and Myanmar and 2010 for Cambodia. Non-tariff barrier will also have to be eliminated under the CEPT scheme.
V. AIMS AND PURPOSES

As set out in the ASEAN Declaration, the aims and purposes of ASEAN are: To accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian Nations:

- To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter;
- To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;
- To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;
- To collaborate more effectively for the greater utilisation of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communications facilities and the raising of the living standards of their peoples;
- To promote Southeast Asian studies; and
- To maintain close and beneficial cooperation with existing international and regional organisations with similar aims and purposes, and explore all avenues for even closer cooperation among themselves.

VI. FUNDAMENTAL PRINCIPLES

In their relations with one another, the ASEAN Member States have adopted the following fundamental principles, as contained in the Treaty of Amity and Cooperation in Southeast Asia (TAC) of 1976:

- Mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations;
- The right of every State to lead its national existence free from external interference, subversion or coercion;
- Non-interference in the internal affairs of one another;
- Settlement of differences or disputes by peaceful manner;
- Renunciation of the threat or use of force; and
- Effective cooperation among themselves.

6.1 Activities

ASEAN and its Member States reaffirm and adhere to the fundamental principles contained in the declarations, agreements, conventions, concords, treaties and other instruments of ASEAN. ASEAN and its Member States shall act in accordance with the following Principles:

- Respect for the independence, sovereignty, equality, territorial integrity and national identity of all ASEAN Member States;
- Shared commitment and collective responsibility in enhancing regional peace, security and prosperity;
- Renunciation of aggression and of the threat or use of force or other actions in any manner inconsistent with international law;
- Reliance on peaceful settlement of disputes;
- Non-interference in the internal affairs of ASEAN Member States;
- Respect for the right of every Member State to lead its national existence free from external interference, subversion and coercion;
- Enhanced consultations on matters seriously affecting the common interest of ASEAN;
- Respect for fundamental freedoms, the promotion and protection of human rights, and the promotion of social justice;
- Upholding the United Nations Charter and international law, including international humanitarian law, subscribed to by ASEAN Member States;
- Abstention from participation in any policy or activity, including the use of its territory, pursued by any ASEAN Member State or non-ASEAN State or any non-State actor, which threatens the sovereignty, territorial integrity or political and economic stability of ASEAN Member States;
- Respect for the different cultures, languages and religions of the peoples of ASEAN, while emphasizing their common values in the spirit of unity in diversity.

6.2 Contribution

VII. KEY FINDINGS OF THE STUDY

7.1 TRADE PROFILE OF ASEAN
East Asian countries adopted export orientation as the core of their trade policy and initiated unilateral and multilateral trade liberalization resulting in high productivity, efficiency and competitiveness. This export led high economic growth achieved by these new enterprising tiger economies of Asia is acclaimed as 'East Asian miracle'.

Table 1: Trade indicators of ASEAN countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Ease of Doing Business Rank</th>
<th>Logistics Performance Index (1 to 5)</th>
<th>Trade per capita (US$)</th>
<th>Trade (% GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>2</td>
<td>4.14</td>
<td>95 743</td>
<td>174.6</td>
</tr>
<tr>
<td>Philippines</td>
<td>99</td>
<td>2.86</td>
<td>789</td>
<td>27.6</td>
</tr>
<tr>
<td>Indonesia</td>
<td>91</td>
<td>2.98</td>
<td>755</td>
<td>21.6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>23</td>
<td>3.43</td>
<td>7 402</td>
<td>69.3</td>
</tr>
<tr>
<td>Thailand</td>
<td>46</td>
<td>3.26</td>
<td>3 918</td>
<td>65.3</td>
</tr>
</tbody>
</table>
Of the 190 countries ranked on the basis of ease of doing business by the World Bank, Singapore topped the list while Malaysia (23) and Thailand (46) got high ranks. But other members of ASEAN such as Myanmar (170), Lao PDR (136) and Cambodia (131) got very low rank on this criterion.

Singapore topped in the Logistics Performance Index (LPI) among the ASEAN countries followed by Malaysia and Thailand. The LPI is very low for Lao PDR showing the big difference in the infrastructural development among ASEAN countries. With regard to trade per capita Singapore is well ahead of other ASEAN countries, followed by Brunei and Malaysia. With regard to trade (% GDP), Singapore is well ahead of other ASEAN countries, followed by Vietnam and Cambodia.

### 7.2 INDIA-ASEAN TRADE

India announced its ‘Look East Policy’ in 1991 with a view to seeking greater engagement with East Asian countries. In order to address the economic content of the ‘Look East Policy’, a continuous dialogue is maintained with ASEAN (Association of South East Asian Nations) countries viz. Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. Summit level engagements, Ministerial meetings and official level discussions are held in order to fulfill the Look East Policy agenda. India’s trade with ASEAN countries was US$ 76.5 billion during the year 2014-15 and US$ 26.7 billion during 2015-16 (April-August)(P). Major destinations for India’s exports in the region are Singapore, Indonesia, Malaysia, Vietnam and Thailand while the major sources of imports are Indonesia, Malaysia, Singapore, Thailand, Vietnam and Myanmar.

#### Table 2: India-ASEAN Trade data

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Country</th>
<th>Export</th>
<th>Import</th>
<th>Total Trade</th>
<th>Export</th>
<th>Import</th>
<th>Total Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brunei</td>
<td>41.99</td>
<td>840.88</td>
<td>882.87</td>
<td>20.06</td>
<td>394.55</td>
<td>414.61</td>
</tr>
<tr>
<td>2</td>
<td>Cambodia</td>
<td>142.53</td>
<td>17.96</td>
<td>160.49</td>
<td>92.65</td>
<td>31.94</td>
<td>124.59</td>
</tr>
<tr>
<td>3</td>
<td>Indonesia</td>
<td>4,043.32</td>
<td>15,004.64</td>
<td>19,047.96</td>
<td>1,824.67</td>
<td>8,947.92</td>
<td>10,772.59</td>
</tr>
<tr>
<td>4</td>
<td>Lao PDR</td>
<td>67.31</td>
<td>85.28</td>
<td>152.59</td>
<td>30.53</td>
<td>101.35</td>
<td>131.88</td>
</tr>
<tr>
<td>5</td>
<td>Malaysia</td>
<td>5,816.55</td>
<td>11,117.74</td>
<td>16,934.29</td>
<td>2,686.84</td>
<td>6,280.16</td>
<td>8,967.00</td>
</tr>
<tr>
<td>6</td>
<td>Myanmar</td>
<td>773.24</td>
<td>1,231.54</td>
<td>2,004.78</td>
<td>458.23</td>
<td>774.48</td>
<td>1,232.71</td>
</tr>
<tr>
<td>7</td>
<td>Philippines</td>
<td>1,395.58</td>
<td>423.04</td>
<td>1,818.62</td>
<td>848.45</td>
<td>389.20</td>
<td>1,237.65</td>
</tr>
<tr>
<td>8</td>
<td>Singapore</td>
<td>9,809.36</td>
<td>7,124.47</td>
<td>16,933.83</td>
<td>4,470.04</td>
<td>5,012.83</td>
<td>9,482.87</td>
</tr>
<tr>
<td>9</td>
<td>Thailand</td>
<td>3,464.83</td>
<td>5,865.88</td>
<td>9,330.71</td>
<td>1,949.94</td>
<td>3,797.77</td>
<td>5,747.71</td>
</tr>
<tr>
<td></td>
<td>Vietnam</td>
<td>SOC REP</td>
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<tr>
<td></td>
<td>6,257.88</td>
<td>3,003.35</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>9,261.23</td>
<td>3,368.44</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>1,720.16</td>
<td>5,088.60</td>
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<tr>
<td>Total (ASEAN)</td>
<td>31,812.58</td>
<td>44,714.77</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>India's Total</td>
<td>310,338.48</td>
<td>448,033.40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Share in India's Total</td>
<td>10.25</td>
<td>9.98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Ministry of Commerce Annual report 2016-17

### 7.3 MAJOR COMMODITIES OF EXPORT & IMPORT

The principal commodities of exports include Petroleum products, Buffalo meat, Ship, Boat and Floating structures, marine products; organic chemical; pearl, precious, semi-precious stones; drug formulations; biological; copper and products made of copper; spices; industrial machinery for dairy etc.; iron and steel; motor vehicle/cars; electric machinery and equipment; auto components/parts and groundnut. Natural or cultured Pearl, Precious, Semiprecious stones, Copper and Products made of Copper, Marine products, Drug formulations biological, Iron and steel, Spices, Industrial Machinery for dairy etc., Groundnut, Electric machinery and equipment, Aluminum, products of aluminum, Auto components/parts.

The principal commodities of import include vegetable oils, coal, coke and briquettes etc. organic chemicals, computer hardware, peripherals; Petroleum: crude, plastic raw material, Telecom instruments, petroleum products, Bulk minerals and ores; Pulses; Iron and steel; Consumer electronics, Ship, boats and floating structures; electronics components and natural components.

### 7.4 AGREEMENTS WITH ASEAN

India and the ASEAN have signed the Agreement on Trade in Goods under the broader framework of Comprehensive Economic Cooperation Agreement (CECA) between India and the ASEAN on 13th August 2009. The Agreement has become fully operational between all the ASEAN Member States and India w.e.f. 1st January, 2010. India and ASEAN Member countries have signed the Agreement of Trade in Services and Agreement on Investment. The Agreements have come into effect from July 1, 2015.

- **India-Singapore Comprehensive Economic Cooperation Agreement (CECA)**
  
  First Comprehensive Economic Cooperation Agreement (CECA) was signed with Singapore on 29th June, 2005 which became operational from 1st August, 2005. The 1st Review of India-Singapore CECA was concluded on 1st October, 2007 further deepening the economic cooperation agreement. The 2\(^{nd}\) Review of India-Singapore CECA was launched on 11th May, 2010. A Joint Working Group for trade and investment has been agreed to be established. The modalities of the same are being worked out.

- **India-Malaysia Comprehensive Economic Cooperation Agreement**
India-Thailand Free Trade Agreement
India and Thailand have signed on October 9, 2003, a Framework Agreement for establishing an India-Thailand Free Trade Agreement. The Agreement envisages negotiation for establishing an India-Thailand FTA with a view to strengthening and enhancing liberalization of trade through progressive elimination of tariffs, progressive liberalization of trade in services, establishment of an open and competitive investment regime etc. There is an Early Harvest Scheme under this Framework Agreement comprising 82 items of mutual interest for which both sides have undertaken tariff concessions during 2004-2006 in a phased manner.

2nd Protocol has been signed on 25th January, 2012 to amend Framework Agreement for establishing Free Trade Area between India and Thailand for (i) inclusion of compression-type combined refrigerator-freezers, fitted with separate external doors, household type in the list of Early Harvest Scheme (EHS) items and to eliminate tariff, simultaneously by both sides, on this item with effect from the date of implementation of this protocol and (ii) to amend Interim Rules of Origin for incorporating a clause of Third Party Invoicing. India and Thailand are presently negotiating a Comprehensive India-Thailand Free Trade Agreement.

India-Indonesia Comprehensive Economic Cooperation Agreement
Following the Joint Declaration of 2005 signed between Prime Minister of India and Indonesian President on establishing a New Strategic Partnership, a Joint Study Group was set up in 2007 to examine the feasibility of a Comprehensive Economic Cooperation Agreement (CECA) between the two countries. The Group held 5 meetings and submitted its Report in September 2009. The JSG recommended launching of negotiations between the two countries on a bilateral CECA by constituting a Trade Negotiating Committee (TNC) covering substantially all trade in goods and services; investment; trade facilitation; and other areas of economic cooperation, as a ‘single undertaking’. Both Governments internally processed the Report of the JSG and agreed to accept the recommendation to commence bilateral CECA negotiations to build upon and going beyond the ASEAN-India FTA. In January 2011, both sides announced the launch of bilateral CECA negotiations. The India-Indonesia CECA is presently kept in abeyance watching progress of Regional Comprehensive Economic Partnership (RCEP).

VIII. CONCLUSION
ASEAN has become a successful regional organization in bringing the attention of the other countries in rest of the world. To ensure political condition of Southeast Asia, ASEAN has struggled to implement various efforts even though the implementation was little bit slowly. ASEAN was born while the world is having tension in Cold War and
unsecured security. Because of this, it has made ASEAN busy in political problems. Even though ASEAN countries possess different strategic and security perspective, ASEAN unity has manage to come with big success in creating peace. The main objectives of ASEAN is to promote cooperation in trade and economic growth and promote peace and stability in the region. The nations of the grouping are also focused on assisting each other in fields of agriculture, research, education, transport and communication. India and ASEAN Member countries have signed the Agreement of Trade in Services and Agreement on Investment. Of the 190 countries ranked on the basis of ease of doing business by the World Bank, Singapore topped the list. Singapore topped in the Logistics Performance Index among the ASEAN countries followed by Malaysia and Thailand. With regard to trade per capita Singapore is well ahead of other ASEAN countries. Major destinations for India’s exports in the region are Singapore, Indonesia, Malaysia, Vietnam and Thailand while the major sources of imports are Indonesia, Malaysia, Singapore, Thailand, Vietnam and Myanmar.

IX. REFERENCES


TO CITE THIS PAPER