



# CURRENT AFFAIRS



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## ASEAN-INDIA TRADE IN GOODS AGREEMENT

**THIS ARTICLE COVERS 'DAILY CURRENT AFFAIRS' AND THE TOPIC DETAILS OF "ASEAN-INDIA TRADE IN GOODS AGREEMENT". THIS TOPIC IS RELEVANT IN THE "ECONOMICS" SECTION OF THE UPSC CSE EXAM.**

### Why in the News?

The fourth Joint Committee gathering, which aimed to reassess the **ASEAN-India Trade in Goods Agreement (AITIGA)**, took place in Putrajaya, Malaysia. Participants engaged in discussions focused on enhancing AITIGA to facilitate trade better and bring greater benefits to businesses throughout the region.

### ABOUT THE ASEAN-INDIA TRADE IN GOODS AGREEMENT

- The ASEAN-India Trade in Goods Agreement (AITIGA) is a trade pact between the ten ASEAN member states and India. It was ratified during the 7th ASEAN Economic Ministers-India Consultations held in Bangkok, Thailand, in 2009 and took effect in 2010.
- **AITIGA is also known as the ASEAN-India Free Trade Agreement and primarily focuses on trade in tangible goods and merchandise.** Its main objectives are the reduction or elimination of customs tariffs and non-tariff barriers to facilitate trade among the participating nations.

### KEY FEATURES OF AITIGA

- It includes its coverage limited to the exchange of physical goods, excluding services. It establishes one of the world's largest free trade areas, spanning nearly 1.8 billion individuals.
- The agreement mandates ASEAN and India to gradually abolish duties on a significant portion of goods and liberalise tariffs. It incorporates varying tariff rates based on the economic development stages of the ASEAN member countries.
- AITIGA contains provisions for lowering tariffs on sensitive products and instituting transparent, predictable trade practices to mitigate non-tariff barriers. The agreement's overarching goal is to enhance trade efficiency, stimulate trade growth, and address trade imbalances between ASEAN and India.

### ELEMENTS OF AIFTA(ASEAN-INDIA FREE TRADE AGREEMENT):

- **Trade in Goods Agreement:** This agreement, which came into effect on January 1, 2010, aims to gradually diminish and eradicate tariffs on 76.4% of goods exchanged between ASEAN member states and India.

- **Trade in Services Agreement:** Established in November 2014, this agreement encompasses clauses concerning transparency, domestic regulations, recognition, market access, national treatment, and dispute resolution.
- **Investment Agreement:** Also ratified in November 2014, this agreement guarantees equitable and impartial treatment for investors, non-preferential treatment in cases of expropriation or nationalisation, and just compensation.

## ADVANTAGES OF AITIGA FOR BUSINESSES IN INDIA AND ASEAN

The ASEAN-India Trade in Goods Agreement (AITIGA) presents notable advantages for enterprises in India and ASEAN by fostering trade facilitation, strengthening economic collaboration, and encouraging mutual prosperity. Here are the principal benefits of AITIGA:

- **Trade Expansion:** AITIGA endeavours to facilitate the continued expansion of trade between India and ASEAN in an equitable and sustainable manner. The agreement establishes a framework for diminishing or eradicating tariffs and non-tariff barriers, facilitating smoother trade interactions, and creating an enabling environment for heightened trade volumes.
- **Increased Market Access:** AITIGA amplifies market access for businesses in India and ASEAN by furnishing a platform for simplified entry into each other's markets. This expanded access unlocks fresh opportunities for enterprises to explore and broaden their market presence, potentially fostering growth and diversification of trade endeavours.
- **Mutually Beneficial Trade:** The agreement is crafted to be mutually beneficial for both India and ASEAN nations. By nurturing a more conducive trade environment, AITIGA aims to tackle trade imbalances, improve trade efficiency, and foster an equitable and balanced trade relationship among the participating entities.
- **Tariff Reduction:** AITIGA commits ASEAN and India to progressively eliminate duties on a substantial portion of goods, resulting in diminished tariffs and rendering trade more economically viable for enterprises. This tariff reduction has the potential to lower the cost of imported goods, enhancing their competitiveness in the market and benefiting consumers alike.
- **Increased Collaboration:** The agreement encourages collaboration between India and ASEAN nations across various domains, including technical regulations, standards, and conformity assessment procedures. By aligning these practices, AITIGA seeks to streamline trade processes, mitigate barriers, and facilitate smoother trade flows between the regions.



## CHALLENGES IN INDIA AND ASEAN DURING AITIGA IMPLEMENTATION

Some prominent challenges include:

- **Tariff Discrepancies:** Instances of inverted duty structures have emerged, wherein import duties on raw materials or inputs surpass those imposed on finished goods. This discrepancy disadvantages domestic manufacturers and discourages value addition within the country.
- **Diverse Tariff Reduction Commitments:** AITIGA exhibits a varied duty structure due to the differing rates of tariff elimination committed by various ASEAN countries. While Singapore pledged complete tariff elimination, other nations, like Vietnam, agreed to a lower percentage of tariff negotiation.
- **Non-Tariff Barriers:** Businesses have grappled with navigating non-tariff barriers, including intricate rules of origin, standards, technical regulations, and conformity assessment procedures. Simplifying these processes is vital for facilitating smoother trade flows.
- **Trade Imbalances:** Over time, the trade balance has tilted increasingly in favour of ASEAN countries. India endeavours to rectify this imbalance and ensure that the agreement yields mutual benefits for both parties.
- **Rules of Origin Concerns:** There are apprehensions that non-ASEAN nations might reroute exports through ASEAN countries to capitalise on the tariff benefits under AITIGA. Strengthening the provisions regarding rules of origin is imperative to prevent trade diversion.
- **Lack of Awareness:** Certain enterprises, particularly small and medium-sized ones, may lack awareness of AITIGA's advantages and stipulations. Augmenting awareness and providing assistance to businesses can enhance their ability to leverage the agreement more effectively.

## INDIA AND ASEAN TRADE DYNAMICS

Over recent decades, India and ASEAN have been dedicated to fortifying their trade and economic collaboration. Here are notable facets of India-ASEAN trade relations:

- In 2009, India and ASEAN inked the ASEAN-India Trade in Goods Agreement (AITIGA), which has been operational since 2010. The agreement aims to progressively eliminate tariffs on 76.4% of traded goods.
- During the fiscal year 2017-18, bilateral trade between India and ASEAN surged by nearly 14%, reaching US\$81.3 billion. India's imports from ASEAN amounted to US\$47.13 billion, while exports to ASEAN totalled US\$34.2 billion.
- **In 2022-23, bilateral trade between India and ASEAN reached US\$131.5 billion**, with ASEAN contributing 11.3% to India's global trade during that period.
- **India experiences a trade deficit with six out of ten ASEAN countries**, notably Brunei, Indonesia, Malaysia, Singapore, Thailand, and Vietnam. The highest deficits are recorded in Indonesia and Singapore.
- **Singapore, Thailand, and Vietnam rank as India's top three export destinations within ASEAN**, while Singapore, Indonesia, and Malaysia are the primary sources of imports.

## WAY FORWARD FOR INDO-ASEAN TRADE RELATIONS

- **Evaluation of Trade Agreements:** India and ASEAN are set to reassess the Free Trade Agreement (FTA) concerning goods to fortify production connections, enhance market entry in strategic trade sectors, and broaden export prospects. Resolving non-tariff barriers and

bolstering digital and physical connectivity is pivotal in attaining greater trade parity and bolstering merchandise exports to ASEAN.

- **Product-Centric Approach:** India should undertake a comprehensive examination at the product level to devise a trading strategy focused on securing enhanced market penetration in ASEAN and beyond. Prioritising products with both forward and backward linkages and those where India possesses a comparative advantage can propel export expansion and fortify trade alliances.
- **Integration into Value Chains:** India must address the hurdles posed by extant trade pacts and large-scale Regional Trade Agreements (RTAs) facilitating ASEAN's involvement in Global Value Chains (GVCs). Initiatives to integrate into the Asian value chain, comply with agreements like the Regional Comprehensive Economic Partnership (RCEP), and enhance trade efficacy are pivotal for India's integration into value chains and regional trade dynamics.
- **Enhanced People to People relations:** India and ASEAN have been coordinating a range of initiatives to enhance interpersonal engagement. These efforts encompass endeavors such as the **Students Exchange Programme, a Special Training Course designed for ASEAN diplomats, Exchange of Parliamentarians, and involvement in forums like the ASEAN-India Network of Think Tanks** and ASEAN-India Eminent Persons Lecture Series.

There are apprehensions in India regarding the potential negative impacts of AITIGA on sectors such as plantation, manufacturing, and marine products, attributable to heightened competition from ASEAN exports.

### **Prelims Based Question**

**Q1. Consider the following statements regarding Indo-ASEAN trade relations:**

1. India experiences a trade surplus with most ASEAN member countries.
2. ASEAN is India's fourth-largest trading partner.

**Choose the correct answer using the codes given below:**

- (a). 1 Only
- (b). 2 Only
- (c). Both 1 and 2
- (d). Neither 1 nor 2

**ANSWER: B**

### **Mains based Question**

**Q1. What are the major challenges faced by businesses in India and ASEAN during the implementation of AITIGA? Discuss the implications of these challenges on trade dynamics between the two regions.**

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## DELHI WASTE MANAGEMENT PROBLEM

**THIS ARTICLE COVERS “DAILY CURRENT AFFAIRS”, AND THE TOPIC DETAILS “DELHI WASTE MANAGEMENT PROBLEM”. THIS TOPIC IS RELEVANT IN THE “ENVIRONMENT” SECTION OF THE UPSC CSE EXAM.**



### **WHY IN THE NEWS?**

The recent scrutiny by the Supreme Court regarding solid waste management (SWM) in New Delhi brings to light a pressing concern. The national capital grapples with over 3,800 tonnes of untreated solid waste, posing a significant risk to both public health and the environment as it accumulates in landfills.

### **MORE ABOUT THE NEWS?**

In 2011, New Delhi’s population stood at approximately 1.7 crore. Fast forward to 2024, it’s estimated to have surged to around 2.32 crore. This population boom has led to a substantial increase in waste generation. Calculations suggest the city now produces a staggering 13,000 tonnes per day (TPD) of waste, equivalent to roughly 1,400 truckloads, totaling about 42 lakh tonnes annually.

Looking ahead to 2031, with the population projected to reach 2.85 crore, waste generation could soar to 17,000 TPD. The lion's share of this waste, around 90%, is managed by the three main municipal bodies: the Municipal Corporation of Delhi (MCD), Delhi Cantonment Board, and the New Delhi Municipal Corporation.

Typically, waste in Indian cities comprises 50-55% biodegradable wet waste, 35% non-biodegradable wet waste, and 10% inert materials. Translated to New Delhi's context, this breakdown means approximately 7,000 TPD of wet waste, 4,800 TPD of dry waste, and 2,000 TPD of inert waste.

## **SOLID WASTE MANAGEMENT IN DELHI**

New Delhi boasts waste-processing facilities at multiple locations, including Okhla, Bhalswa, Narela, Bawana, Tehkhand, SMA Industrial Area, Nilothi, and Ghazipur. These facilities collectively have a designed capacity of approximately 9,200 TPD. Among them, composting units handle around 900-1,000 TPD, while waste-to-energy projects manage the bulk, processing 8,200 TPD.

Despite these resources, the Municipal Corporation of Delhi (MCD) is still grappling with disposing of 3,800 TPD of untreated waste in designated landfills like Gazipur, Bhalswa, and Okhla. The unchecked accumulation of both wet and dry waste in these landfills not only generates methane gasses and leachates but also poses a constant risk of landfill fires, severely impacting the nearby environment.

The situation is dire, with an alarming 2.58 crore tonnes of legacy waste sprawled across 200 acres of land in these landfills. While the MCD initiated biomining efforts in 2019 to mitigate this issue, the progress was impeded by the COVID-19 pandemic. Originally slated for completion by 2024, the task is now expected to take an additional two to three years.

Until fresh waste is systematically processed, the environmental repercussions will persist. With the current influx of 3,800 TPD of untreated waste, the landfills are destined to grow both in size and height, exacerbating the existing challenges.

## **EFFECTS OF BAD WASTE MANAGEMENT**

The waste management problem in Delhi is concerning for several reasons:

1. **Public Health Risks:** Accumulated untreated waste poses significant health hazards. Landfills become breeding grounds for disease vectors such as mosquitoes and rodents, increasing the risk of vector-borne diseases like dengue

and malaria. The decomposition of organic waste also releases harmful gases and leachates, contaminating groundwater and soil.

2. **Environmental Degradation:** Landfills emit methane, a potent greenhouse gas that contributes to climate change. Additionally, the leachates produced can seep into water bodies, polluting them and disrupting ecosystems. Landfill fires, which are common due to the buildup of combustible materials, release toxic fumes and pose a threat to air quality.
3. **Aesthetic and Social Impact:** Large, unsightly landfills are not only an eyesore but also negatively impact the quality of life for nearby residents. The foul odor and presence of scavengers can make living conditions intolerable, leading to social unrest and community dissatisfaction.
4. **Waste of Resources:** Inefficient waste management represents a loss of valuable resources. Organic waste, for example, could be composted and used to enrich soil, while recyclable materials could be repurposed, reducing the demand for virgin resources and cutting down on energy consumption.
5. **Legal and Regulatory Concerns:** The inability to effectively manage waste violates environmental regulations and exposes municipal authorities to legal liabilities. Continued negligence may lead to punitive actions by regulatory bodies, tarnishing the city's reputation and leading to financial penalties.

## HOW THIS PROBLEM CAN BE SOLVED

Addressing the waste management problem in Delhi requires a multi-faceted approach involving various stakeholders and strategies:

1. **Waste Reduction and Segregation:** Encourage waste reduction at the source through awareness campaigns and incentives for businesses and households to minimize waste generation. Implement effective waste segregation practices to separate recyclable, organic, and inert waste at the point of generation.
2. **Investment in Infrastructure:** Increase investment in waste management infrastructure, including waste processing plants, composting facilities, recycling centers, and waste-to-energy plants. Upgrade existing facilities and build new ones to meet the growing demand for waste management services.
3. **Promotion of Circular Economy:** Foster a circular economy approach by promoting the reuse, recycling, and recovery of materials from waste streams. Support initiatives that encourage the development of markets for recycled materials and products to create economic incentives for waste diversion.
4. **Public Awareness and Participation:** Educate the public about the importance of proper waste management practices and the benefits of recycling and composting. Engage communities through outreach programs, workshops, and educational campaigns to encourage active participation in waste reduction and segregation efforts.

5. **Policy and Regulation:** Strengthen waste management policies and regulations to enforce compliance with waste segregation and disposal standards. Implement stringent penalties for illegal dumping and non-compliance with waste management regulations to deter offenders and ensure accountability.
6. **Technological Innovation:** Embrace innovative technologies for waste management, such as advanced sorting and recycling technologies, bioremediation techniques, and waste-to-energy processes. Invest in research and development to identify and deploy cutting-edge solutions for sustainable waste management.
7. **Collaboration and Partnerships:** Foster collaboration between government agencies, private sector organizations, non-profit organizations, and community groups to leverage expertise, resources, and networks for effective waste management initiatives. Form public-private partnerships to finance, operate, and maintain waste management infrastructure and services.
8. **Monitoring and Evaluation:** Establish robust monitoring and evaluation mechanisms to track progress, measure performance, and identify areas for improvement in waste management efforts. Use data-driven insights to inform decision-making, allocate resources effectively, and optimize waste management strategies over time.

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