

The agreed modalities for the FTA in goods between ASEAN and India are as follows:

i. Normal Track (NT)

- Coverage: 80% of tariff lines and 75% of trade value (imports).
- Tariff Elimination:

	ASEAN 5 & India	Philippines & India	India to CLMV	CLMV to India
71% tariff lines & 72% import value (NT1)	1.1.2010 to 31.12.2013	1.1.2010 to 31.12.2018	1.1.2010 to 31.12.2013	1.1.2010 to 31.12.2018
9% tariff lines & 3% import value (NT2)	1.1.2010 to 31.12.2016	1.1.2010 to 31.12.2019	1.1.2010 to 31.12.2016	1.1.2010 to 31.12.2021

ii. Sensitive Track (ST):

- Coverage: 10% of tariff lines.

	ASEAN 5 & India	Philippines & India	India to CLMV	CLMV to India
Reduction of tariffs to 5%:	1.1.2010 to 31.12.2016	1.1.2010 to 31.12.2019	1.1.2010 to 31.12.2016	1.1.2010 to 31.12.2021

- Products where the tariff is already at 5% and placed in the ST (Standstill lines), it was agreed that:
 - 50 tariff lines at MFN 5% will be at standstill;
 - duties on remaining tariff lines will be reduced to 4.5% rate upon entry into force; and
 - subsequent reduction to 4% rate by 31.12.2016 for ASEAN 6 and India (special arrangements for Indonesia and Thailand; and 31.12.2019 for Philippines).

iii. Highly Sensitive List (HSL)

- A three step modalities for tariff reduction has been adopted as follows:
 - a. products with duties above 50% to be reduced to 50% by 31.12.2019 for ASEAN 5, 31.12.2022 for Philippines, and 31.12.2024 for CLMV;
 - b. products with duties of 50% and below to be reduced by margin of preference (MOP) of 50% by 31.12.2019 for ASEAN 5, 31.12.2022 for Philippines, and 31.12.2024 for CLMV; and
 - c. products with duties of 50% and below to be reduced by MOP of 25% by 31.12.2019 for ASEAN 5, 31.12.2022 for Philippines , and 31.12.2024 for CLMV.

iv. Highly Sensitive Track (HST)

- India has placed crude and refined palm oil, coffee, black tea and pepper in the HST.

Tariff Line	Base Rate	AIFTA Preferential Tariffs										
		Not later than 1 January										
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	31.12.2019
CPO	80	76	72	68	64	60	56	52	48	44	40	37.5
RPO	90	86	82	78	74	70	66	62	58	54	50	45
Coffee	100	95	90	85	80	75	70	65	60	55	50	45
Black Tea	100	90	90	85	80	75	70	65	60	55	50	45
Pepper	70	68	66	64	62	60	58	56	54	52	51	50

ii. Sensitive Track (ST)

ASEAN-5 and India										
Cuts	On	x > 30	x = 30	20 < x < 30	x = 20	15 < x < 20	x = 15	10 < x < 15	x = 10	5 < x < 10
1st Cut	1.1.2010	30	27	20	18	15	14	10	9	6
2nd Cut	1.1.2011	26	24	18	15	13	13	9	8	6
3rd Cut	1.1.2012	23	21	16	13	12	12	8	7	6
4th Cut	1.1.2013	20	18	14	12	11	11	7	7	6
5th Cut	1.1.2014	16	15	12	10	10	10	6	6	5
6th Cut	1.1.2015	13	12	10	8	8	8	6	6	5
7th Cut	1.1.2016	9	8	7	6	6	6	6	5	5
8th Cut	31.12.2016	5	5	5	5	5	5	5	5	5

Note: 4% of ST will be reduced to 0% by 31.12.2018 for ASEAN 5 and India