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Aitisa and India–Asean Trade in Services: An Analytical Review with Empirical Evidence and Policy Implications

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Abstract
The ASEAN–India Trade in Services Agreement (AITISA), implemented as part of the broader ASEAN–India economic cooperation framework, was intended to provide a more predictable and transparent institutional environment for trade in services. This paper revisits the agreement from an analytical perspective and supplements the discussion of its legal and institutional provisions with selected empirical evidence on the scale and significance of the services markets connected with India and ASEAN. The analysis highlights the importance of market access, national treatment, transparency, domestic regulation and progressive liberalisation under AITISA, while also examining the broader expansion of services trade in the two economies. Available evidence indicates that ASEAN represented a services market of approximately US$456.5 billion in exports and US$473.8 billion in imports in 2023, while India recorded strong growth in services exports and imports during April–December 2024 compared with the corresponding period of 2023. The paper argues that the significance of AITISA should be assessed not only through the existence of formal commitments but also through the ability of businesses and service professionals to convert those commitments into actual market access and trade opportunities. The study concludes that AITISA provides an important institutional foundation for deeper India–ASEAN services integration, but its practical impact depends on regulatory cooperation, recognition of qualifications, digital connectivity, mobility of professionals and improved utilisation of commitments. The paper therefore contributes an evidence-based policy perspective to the discussion on India–ASEAN services cooperation.

Keywords: AITISA, India–ASEAN relations, trade in services, market access, services integration, regional economic cooperation

1. Introduction

Services have become a central component of contemporary international trade and regional economic integration. Unlike merchandise trade, services trade is closely linked with professional mobility, digital connectivity, investment, knowledge transfer and regulatory cooperation. For India, the services sector has become an important source of export earnings and international competitiveness. ASEAN, meanwhile, represents a large and diverse services market with significant strengths in finance, transport, tourism, logistics, digital services and other business services.

The ASEAN–India Trade in Services Agreement (AITISA) was developed within the Framework Agreement on Comprehensive Economic Cooperation between India and ASEAN and entered into force on 1 July 2015. The agreement provides a legal framework for market access, national treatment, transparency, domestic regulation, cooperation and progressive liberalisation. It is therefore important to move beyond a purely descriptive reading of the agreement and examine its economic relevance in the context of the growing services markets of India and ASEAN.

The present paper therefore combines an analytical review of the principal provisions of AITISA with selected quantitative evidence. The objective is not to claim that all changes in services trade were caused exclusively by AITISA. Rather, the paper examines the economic environment in which the agreement operates and identifies the channels through which its provisions may influence trade in services. This approach provides a more balanced assessment of the agreement's potential and limitations.

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2. Empirical Evidence: The Economic Significance of the Services Market

A major contribution of this revised paper is the addition of selected actual trade figures to complement the theoretical discussion. These figures demonstrate the scale of the services markets in which AITISA operates.

ASEAN Services Trade in 2023

According to the WTO–OECD Balanced Trade in Services (BaTiS) data reported by the OECD, ASEAN Member States recorded approximately US$456.5 billion in services exports and US$473.8 billion in services imports in 2023. Therefore, the region's total services trade was approximately

US$930.2 billion. This indicates that ASEAN is not merely a regional market for goods but a major global services market.

Indicator	Value (US$ billion)	Analytical meaning
ASEAN services exports, 2023	456.5	Large external services supply capacity
ASEAN services imports, 2023	473.8	Large demand for imported services
Total ASEAN services trade, 2023	930.2	Significant market for regional integration

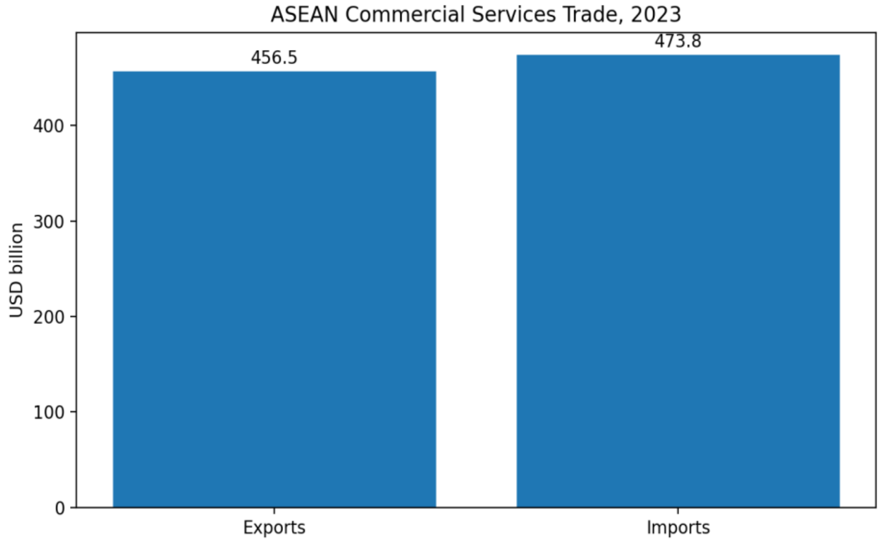

Figure 1. ASEAN commercial services exports and imports, 2023.

The numbers are very important for India. A market this big offers chances for companies, in information technology and services that can be delivered online like business services, professional services, education, health care, finance and things related to tourism.. Just having a big market doesn't mean exports will be successful. Using AITISA well depends on whether Indian service providers can deal with rules, qualifications moving around and entering the market.

India’s Services Trade Growth: Evidence from 2023 and 2024

India's own services trade also demonstrates strong expansion. Official Indian government data reported services exports of US$251.71 billion and imports of US$131.64 billion during April–December 2023. During the corresponding period of 2024, exports increased to US$280.94 billion and imports to US$149.67 billion.

Indicator	Apr-Dec 2023	Apr-Dec 2024	Change
Services exports (US$ bn)	251.71	280.94	+11.61%
Services imports (US$ bn)	131.64	149.67	+13.70%
Services trade surplus (US$ bn)	120.07	131.27	+9.33%

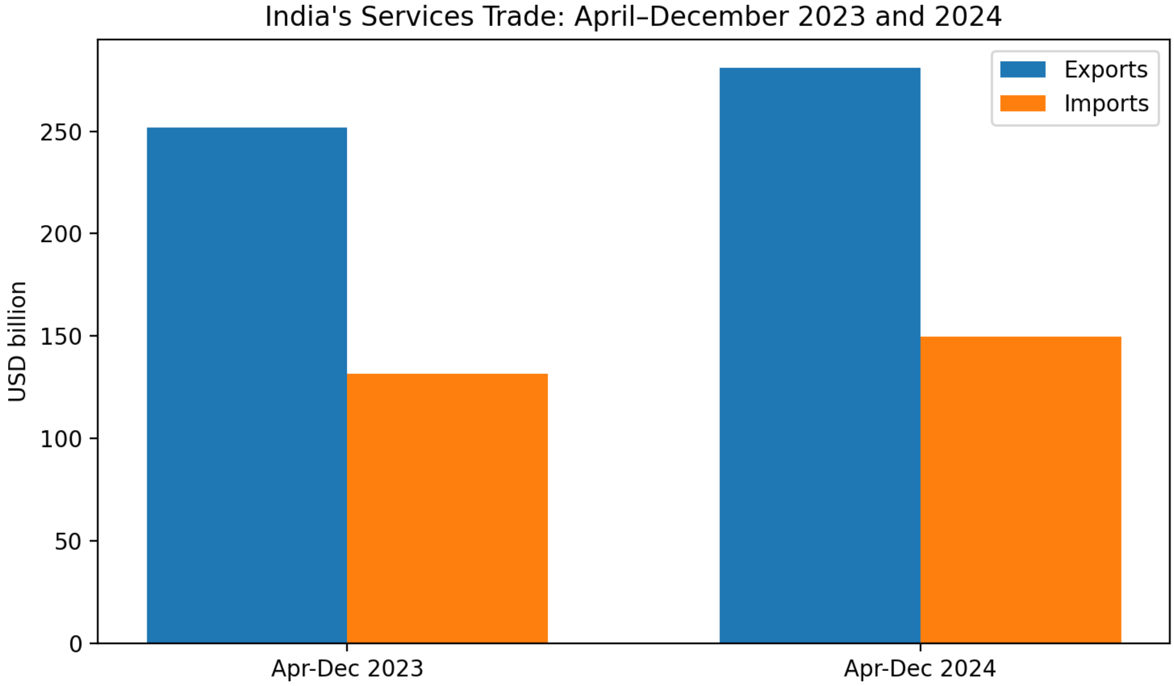

Figure 2. India's services trade during April–December 2023 and 2024.

The data show that Indias services sector kept growing. Exports in this services sector rose by 11.6 percent and imports in this services sector grew by about 13.7 percent during the same time. The services trade surplus grew by 9.3 percent. These numbers make a case for looking at AITISA. India has a base, for services exports and ASEAN offers a big and varied market that needs many services imports

Concentration and Strategic Importance of ASEAN

The ASEAN services market is dominated by a number of major economies. In 2023 Singapore made up 59% of ASEAN services exports and 52% of services imports based on BaTiS-based estimates. This concentration has two effects. First Singapore acts as an entry point for high-value services like finance, logistics and regional business operations. Second India should not think of ASEAN as one market. Instead, a strategy that treats each country differently is needed. Separate plans are required for service centers such as Singapore and for growing markets, like Viet Nam, Indonesia, Malaysia, Thailand and the CLMV countries.

3. Analytical Assessment of the Potential Impact of AITISA

The empirical evidence does not by itself establish a direct causal effect of AITISA. Nevertheless, it allows the agreement's potential impact to be assessed through identifiable economic channels.

AITISA mechanism	Expected economic channel	Potential impact
Market access commitments	Reduces selected restrictions on entry and operations	Greater opportunities for Indian and ASEAN service suppliers
National treatment	Limits discriminatory treatment where commitments apply	Improved competitive conditions
Transparency	Reduces information and regulatory uncertainty	Lower market-entry costs

Domestic regulation disciplines	Encourages reasonable and impartial administration	Greater predictability for firms
Cooperation	Supports capacity building and institutional learning	Improved ability to utilise commitments
Progressive liberalisation	Creates scope for future expansion of commitments	Long-term deepening of services integration
Special consideration for CLMV economies	Supports broader participation in regional services trade	More inclusive regional integration

The central analytical finding is that AITISA creates an enabling framework. Having an agreement is not the same, as having real trade growth. The practical impact of an agreement depends on implementation. For example, a commitment that allows market access might be very limited if foreign qualifications are not recognised if professional movement stays difficult if digital infrastructure is not enough or if local regulations are hard to understand. Thus, the important policy question is not simply whether commitments exist, but whether businesses can use commitments effectively. AITISA must ensure that agreements are put into practice.

4. Key Challenges in Realising the Benefits of AITISA

- Divergence: Differences in licensing, data rules, professional standards and domestic regulations can continue to restrict services trade even where formal commitments exist.
- Recognition of qualifications: Recognition of qualifications is still important for the movement of service providers.
- Movement of professionals: Barriers related to movement of professionals can limit the ability of service providers to supply services in ASEAN markets.
- Digital connectivity and data governance: Digital services need infrastructure and compatible regulatory frameworks.
- Uneven capacity among ASEAN economies: The uneven capacity among ASEAN economies makes a uniform liberalization strategy difficult.
- Low utilization of commitments: Small and medium enterprises may not have information about the agreement or the procedures required to access foreign markets.
- Data limitations: The data on services are less complete and less comparable than data, on merchandise trade, which makes it hard to measure the impact of the agreement directly.

5. Policy Implications

The analysis shows that AITISA will work better in the future if the focus is on putting it into practice and using it not just having the commitments in place. India and ASEAN should work closely together on rules and regulations in areas where there is big potential for growth across borders. This includes services, information technology, business services, finance, education and healthcare. Strengthening cooperation, in these sectors can help both sides benefit more from their partnership.

A practical approach would involve creating information portals that are specific to each sector. These portals would help professionals and businesses find reliable information. They would improve transparency when it comes to licensing and qualification requirements. This means people would know what they need to do to operate in a foreign market. Promoting mutual recognition arrangements is also important. These arrangements allow qualifications from one country to be accepted in another. This reduces barriers. Makes it easier for professionals to work abroad. Strengthening cooperation among bodies would help create shared standards and support across borders. This kind of collaboration builds trust and simplifies processes. Special attention should be given to medium-sized service enterprises. These businesses often struggle with foreign regulations. They may not have the resources or expertise to understand and follow rules in countries. Providing them with targeted support can make a difference in their ability to expand.

India should also adopt a strategy when working with ASEAN countries. This means treating each country based on its strengths and needs. Singapore can be seen as a high-value hub for services and investment. It is a connected city-state with strong financial and professional services. India should focus on building partnerships with Singapore in areas like technology, education and finance. Indonesia, Malaysia, Thailand and Viet Nam offer growing markets. Each of these countries has service needs. For example, Indonesia has a population and a rapidly expanding middle class. This creates demand for health, education and digital services. Malaysia's strength lies in its developed logistics and tourism sectors. Thailand has a growing demand for educational services. Viet Nam is building a base in manufacturing and IT services. By matching India's strengths with the needs of each country India can increase its trade and investment opportunities. The CLMV economies—Cambodia, Laos, Myanmar and Viet Nam—may require support. These countries are still developing their service sectors. They need capacity-building and cooperation-oriented approaches. This means helping them improve their systems, train professionals and strengthen institutions. With support these countries can better participate in regional and global services trade. This differentiated approach can improve the use of AITISA. It makes the agreement more effective by focusing on needs and opportunities, in each country.

6. Conclusion

AITISA represents an important institutional step in the development of India–ASEAN economic relations. Its provisions relating to market access, national treatment, transparency, domestic regulation and cooperation provide a framework for making services trade more predictable and potentially more open. The empirical evidence added in this paper demonstrates the economic importance of the environment in which the agreement operates: ASEAN recorded approximately US$930.2 billion in total services trade in 2023, while India's services exports and imports showed substantial growth during April–December 2024 compared with the corresponding period of 2023.

Regulatory cooperation, recognition of qualifications, professional travel, digital links and clearer knowledge among businesses will decide how far India can grow its role in ASEANs big services market. This paper adds to the debate by connecting the legal rules of AITISA with real proof of how big and how fast services trade is growing. A later study can use this base by looking at country-to-country services data and doing econometric tests to see how AITISA links, to services trade flows.

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