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Contents

1. ASEAN and China to strive to end talks on upgraded FTA	1
2. EU, Vietnam reach deal on free trade	5
3. SADC, EU inch closer to ratifying EPA agreement	8

1. ASEAN and China to strive to end talks on upgraded FTA

Chinese commerce minister Gao Hucheng said that both China and ASEAN have agreed to strive to bring to an end their negotiation on an upgraded version of the China-ASEAN Free Trade Area (FTA) before the end of this year. Progress has been made in comprehensive and in-depth consultation on goods and services trade, investment and economic and technological cooperation during the past three rounds of negotiation since it began one year ago...The China-ASEAN FTA initiated and played a leading role in the overall economic integration in East Asia and has also made great contribution to the liberalization of global trade, the minister said...The eight measures covered lifting bilateral trade to US\$1 trillion by 2020 and China making an additional investment of US\$100 billion by the same year, as well as cooperation in China-ASEAN infrastructure connectivity...The China-ASEAN FTA is the largest of its kind among developing countries and benefits more than 1.8 billion people.

(<http://www.bilaterals.org/?asean-and-china-to-strive-to-end>)

CUTS Comments

An upgraded FTA between ASEAN and China is likely to have some impacts on the export basket of India. Our research based on ITC database and TradeSift software shows that the presence of India and China in ASEAN's market and that of India and ASEAN in China's market are competing on relatively moderate number of products. However, this new equation may affect India's export interest in sectors like electronics, and mineral fuels, oils, distillation products.

Trade statistics reveal that in 2014 the total value of India's export to ASEAN was approximately US\$ 31.3 billion. In the same year, total value of China's export to ASEAN was approximately US\$ 272 billion. Thus, in terms of total volume of export, China is enjoying a significant advantage over India in the ASEAN's market.

As shown in Table 1.1, India and China are competing in four product segments (among their top 10 exports to ASEAN) such as mineral fuels, oils, distillation products; machinery, nuclear reactors, boilers, etc.; vehicles other than railway, tramway; and electrical, electronic equipment. At present, China is better positioned than India in these products and as a result of this upgraded FTA it may further strengthen its position in these markets.

Furthermore, in the competing product segments, annual growth rate of export items of China during 2010-14 was more than that of India. On the other hand, there are products like meat and edible meat offal; organic chemicals; ships, boats and other floating structures; fish, crustaceans, molluscs, aquatic invertebrates nes; pearls, precious stones, metals, coins, etc.; and cereals, where, as compared to China, India is likely to remain a leading player in the ASEAN market.

Table 1.1				
India's Export to ASEAN (Export in 2014: US\$ 31294.25mn)			China's Export to ASEAN (Export in 2014: US\$ 272055.2mn)	
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)
7346.0	0.8	Mineral fuels, oils, distillation products	11196.9	9.6
3184.4	97.9	Meat and edible meat offal	...	...
1808.2	19.7	Machinery, nuclear reactors, boilers, etc.	38387.8	13.5
1619.1	11.0	Organic chemicals	...	...
1372.1	-6.3	Ships, boats and other floating structures	...	...
1301.8	99.1	Fish, crustaceans, molluscs, aquatic invertebrates nes	...	...
1281.0	12.0	Pearls, precious stones, metals, coins, etc.	...	...
1051.0	2.6	Vehicles other than railway, tramway	7626.0	32.9
917.9	41.4	Cereals	...	...
908.5	5.9	Electrical, electronic equipment	51920.2	21.0
		Iron and steel	14333.5	41.8
		Furniture, lighting, signs, prefabricated buildings	10672.1	40.6
		Articles of iron or steel	8431.8	29.9
		Plastics and articles thereof	8180.1	45.6
		Optical, photo, technical, medical, etc. apparatus	7704.3	16.7
		Articles of apparel, accessories, knit or crochet	7392.8	35.8
20790.09 (66%)		Top 10 Products (percentage of total export)	165845.5 (61%)	

Source: International Trade Centre Database

In 2014, India's export to China was valued at approximately US\$ 13.4 billion and ASEAN's export to China was approximately US\$ 68.3 billion. Following this upgraded FTA between ASEAN and China, it is expected that India's export to China may get affected in large number of product segments. Though China's export similarity and complementarity are moderate (see Table 1.3), trade diversion in favour of China as well as ASEAN may not be ruled out.

India is the 13th and 28th largest importing sources for ASEAN and China, respectively. Products like cotton; copper and articles thereof; mineral fuels, oils, distillation products, etc.; organic chemicals; ores, slag and ash; salt, sulphur, earth, stone, plaster, lime and cement; machinery, nuclear reactors, boilers; plastics and articles thereof; aircraft, spacecraft, and parts thereof; and electrical, electronic equipment are major export items from India to China.

If we compare the data shown in Table 1.2, India and ASEAN compete with each other in most of those products, especially in mineral fuels, oils, distillation products; organic chemicals; ores, slag and ash; machinery, nuclear reactors, boilers; plastics and articles thereof; and electrical, electronic equipment.

Additionally, if we look at export growth trend of these products during 2010 to 2014, they indicate that in most of these items India is in a relatively weak position. This situation may further get affected after this upgraded FTA along with a distinct long term impact of India losing its share in both markets. In order to strengthen its position in these markets, India requires necessary measures to maintain and increase its trade competitiveness in these products.

Table 1.2				
India's Export to China			ASEAN's Export to China	
(Export in 2014: US\$ 13434.25mn)			(Export in 2014: US\$168301.2mn)	
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)
2808.9	12.0	Cotton	...	...
2104.8	-10.0	Copper and articles thereof	...	...
1605.5	24.0	Mineral fuels, oils, distillation products, etc.	18979.4	2.9
956.7	7.0	Organic chemicals	7943.0	10.3
782.1	-40.0	Ores, slag and ash	4317.5	18.6
659.9	21.0	Salt, sulphur, earth, stone, plaster, lime and cement	...	...
523.0	17.0	Machinery, nuclear reactors, boilers, etc.	14806.3	-4.3
405.5	3.0	Plastics and articles thereof	10276.7	17.0
325.4	145.0	Aircraft, spacecraft, and parts thereof	...	...
311.5	8.0	Electrical, electronic equipment	46967.9	16.5
		Pearls, precious stones, metals, coins, etc.	12629.2	953.7
		Rubber and articles thereof	8292.1	-3.4
		Animal, vegetable fats and oils, cleavage products, etc.	5244.1	-2.2
		Wood and articles of wood, wood charcoal	5228.2	51.4
10483.3 (78%)		Top 10 Products (percentage of total export)	134648.4 (80%)	

Source: International Trade Centre Database

Given this composition of trade between these three countries, a quick simulation using Degrees of Similarity in Export Structures (Finger-Kreinin Index) and Relative Export Competitive Pressure Index can give an indication of competitive strengths and weaknesses with direct competitors in respective markets.

The Finger-Kreinin Index (FKI) measures how similar two sets of countries are in respect to their trade in a destination country. It is used to compare the similarity between either the structure of a country's import or export with any two partner countries so as to see how similar a country's export pattern is to its import pattern, whether geographically or by product or to compare the structure of production in two different countries. It explains how similar the import of a given product is from two different suppliers. It is useful to measure overall similarity of export of two countries and, therefore, their degree of competitiveness/complementarity either with respect to a particular market or with respect to trade with the rest of the world. If $FK=1$ then export structures would be exactly similar and if $FK=0$ there would be no similarity.

The Relative Export Competitive Pressure Index (RECPI) calculates the average degree of competition that country X faces in country Y's market from country Z. It takes into account both the structure and level of competing countries' trade. Country X will be interested in the value of country Z's export to country Y, and also to the extent to which country Z's export is in direct competition with country X's export. A low RECPI explains less competition between the competitors.

The FKI in Table 1.3A varies between 0.21 and 0.23 and shows no tendency to increase over the years indicating stable similarity of export of India and China to ASEAN. This means that at the aggregate level and to some extent (but stable) India and China were competing in ASEAN's market. On the other hand, the level of competition between India and ASEAN in China's market was moderate but increasing (Table 1.3B).

Similar to the results of the Finger-Kreinin Index, Table 1.3C shows that during 2010 to 2014 the RECPI of India with ASEAN were moderate, indicating an increasing level of competition between India and China in ASEAN's market. On the other hand, India's RECPI with China progressively increasing, indicating level of competition is also increasing between India and ASEAN in the Chinese market (Table 1.3D).

Table 1.3: FKI and RECPI among India-ASEAN-China (2010-14)											
A. India's FKI with ASEAN						B. India's FKI with China					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
China	0.22	0.21	0.21	0.21	0.23	ASEAN	0.07	0.16	0.11	0.15	0.15
C. India's RECPI with ASEAN						D. India's RECPI with China					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
China	0.92	0.56	0.56	0.76	0.99	ASEAN	0.07	0.51	0.19	0.71	0.89
<i>Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software</i>											

Food for Thought

As a result of this upgraded FTA, a wide range of ASEAN and China's products will receive reciprocal preferential treatment in their respective markets. India and China do not have any bilateral trade agreements. On the other hand, India has a comprehensive FTA with ASEAN. In the wake of expected changes in trade in goods, services as well as investment relationship among India, ASEAN and China, India should put more emphasis on the completion of RCEP negotiation as well as strengthen its supply chains further to improve its position in these markets.

2. EU, Vietnam reach deal on free trade

The European Union and Vietnam reached an agreement in principle for a free trade agreement after two and a half years of negotiations, the European Commission said. The deal will remove nearly all tariffs on goods traded between the two economies, it said in a statement. This finely balanced agreement will boost trade with one of Asia's most dynamic economies. It sets a new, better and modern model for Free Trade Agreements between the EU and developing countries, and establishes a good standard for the trade relationship between the EU and South East Asia as a whole, she said. On the basis of the agreement, the negotiating teams are now to settle some remaining technical issues and finalise the legal text. The agreement is then to be approved by EU trade ministers and the European Parliament.

(<http://www.bilaterals.org/?eu-vietnam-reach-deal-on-free>)

CUTS Comments

The FTA between EU and Vietnam is likely to have some impact on India's export. Currently, India and Vietnam are in deep competition (see Table 2.1). However, it is seen that, India and EU are competing moderately in Vietnam's market.

Trade statistics reveal that in 2013 the total value of India's export to the EU was approximately US\$ 56.3 billion, whereas that of Vietnam to the EU was approximately US\$ 24.34 billion. This shows that at the moment, as compared to Vietnam, India is better positioned in the EU market.

As shown in Table 2.1, India and Vietnam are competing in some product segments (in their top 10 exports) such as articles of apparel, accessories, not knit or crochet; articles of apparel, accessories, knit or crochet; machinery, nuclear reactors, boilers, etc.; and electrical, electronic equipment. However, most of these competing product segments, the annual export growth of Vietnam during 2009-2013 was greater than that of India. Therefore, the new trade equation may further strengthen Vietnam's position in these product segments.

Table 2.1				
India's Export to EU-28 (Export in 2013: US\$ 56284.26mn)			Vietnam's Export to EU-28 (Export in 2013: US\$ 24338.96mn)	
Export Value in 2013 (US\$ mn)	Annual Average Growth (2009-2013, %)	Sectors	Export Value in 2013 (US\$ mn)	Annual Average Growth (2009-2013, %)
8869.0	15.3	Mineral fuels, oils, distillation products, etc.	...	...
3556.4	6.1	Pearls, precious stones, metals, coins, etc.	...	...
3478.7	5.5	Articles of apparel, accessories, not knit or crochet	1953.7	18.5
3398.6	22.2	Organic chemicals	...	...
3059.7	1.5	Articles of apparel, accessories, knit or crochet	718.3	12.8
2700.5	18.4	Machinery, nuclear reactors, boilers, etc.	2423.1	102.1
2630.5	1.6	Vehicles other than railway, tramway	...	...
2491.3	5.2	Electrical, electronic equipment	8836.3	692.0
2179.6	38.4	Iron and steel	...	...
1887.3	35.8	Articles of iron or steel	...	...
		Footwear, gaiters and the like, parts thereof	3064.3	13.2
		Coffee, tea, mate and spices	1417.4	11.2
		Fish, crustaceans, molluscs, aquatic invertebrates, nes	866.1	-3.5
		Furniture, lighting, signs, prefabricated buildings	733.4	1.9
		Plastics and articles thereof	511.0	20.6
		Articles of leather, animal gut, harness, travel goods	508.0	18.0
34251.6 (60%)		Top 10 Products (percentage of total export)	21031.4 (86%)	

Source: International Trade Centre Database

In 2013, India's export to Vietnam was valued at approximately US\$ 6.5 billion, whereas that of EU to Vietnam was approximately US\$ 8.2 billion. It is expected that India's export interest may get further affected as a result of EU-Vietnam FTA.

In 2014, India was the 10th largest source of import for Vietnam and 24th largest source of import for the EU. Products like meat and edible meat offal; fish, crustaceans, molluscs, aquatic invertebrates, nes; cotton; oil seed, oleagious fruits, grain, seed, fruit, etc.; coffee, tea, mate and spices; machinery, nuclear reactors, boilers, etc.; pharmaceutical products; iron and steel; cereals; and residues, wastes of food industry, animal fodder are major exports from India to Vietnam.

If we compare the data from Table 2.2, India and EU largely compete with each other in products such as fish, crustaceans, molluscs, aquatic invertebrates, nes; machinery, nuclear reactors, boilers, etc.; and pharmaceutical products.

Also, if we look at export growth trend of these products during 2010 to 2013, they indicate that in most of these items, EU is relatively better positioned. This situation may change after the signing of this FTA but it may affect further India's trade in the long-run.

It was also observed that in products like meat and edible meat offal; cotton; oil seed, oleagic fruits, grain, seed, fruit, etc.; coffee, tea, mate and spices; iron and steel; cereals; and residues, wastes of food industry, animal fodder, India has an edge over EU. Because of this advantage, it has the potential to improve its overall position in the Vietnam's market.

Table 2.2				
India's Export to Vietnam (Export in 2014: US\$ 6526.5mn)		EU-28's Export to Vietnam (Export in 2014: US\$ 8190.3mn)		
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)
2313.3	73.0	Meat and edible meat offal	...	...
1099.1	69.0	Fish, crustaceans, molluscs, aquatic invertebrates, nes	268.7	78.4
473.1	37.0	Cotton	...	...
280.4	24.0	Oil seed, oleagic fruits, grain, seed, fruit, etc.	...	...
219.3	87.0	Coffee, tea, mate and spices	...	...
178.0	7.0	Machinery, nuclear reactors, boilers, etc.	1595.0	7.3
170.7	15.0	Pharmaceutical products	702.6	17.6
170.3	75.0	Iron and steel	...	...
163.5	9.0	Cereals	...	...
157.2	-20.0	Residues, wastes of food industry, animal fodder	...	...
		Aircraft, spacecraft, and parts thereof	665.0	-1.1
		Electrical, electronic equipment	585.3	6.1
		Optical, photo, technical, medical, etc apparatus	386.5	13.8
		Vehicles other than railway, tramway	280.3	-5.3
		Raw hides and skins (other than furskins) and leather	241.0	30.4
		Miscellaneous chemical products	215.6	8.2
		Plastics and articles thereof	204.1	15.1
5224.7 (80%)		Top 10 Products (percentage of total export)	5144.0 (63%)	

Source: International Trade Centre Database

The FKI in Table 2.3A varies between 0.16 and 0.17, indicating stable similarity of exports of India and Vietnam to EU than that of India and EU to Vietnam's market. This means that at the aggregate level similarity of India and Vietnam's exports to EU is some extent more similar than that of India and EU's in Vietnam's market

Similar to the results of the Finger-Kreinin Index, Table 1.3C shows that during 2010-2014 the RECI of India with EU were increasing indicating that the degree of competition between India and Vietnam in the EU's market is increasing and there is no clear cut indication of India and EU is in competition in Vietnam's market (Table 2.3C & D).

Table 2.3: FKI and RECPI among India-EU 28-Vietnam (2010-14)											
A. India's FKI with EU 28						B. India's FKI with Viet Nam					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
Viet Nam	0.16	0.17	0.17	0.16	NA	EU 28	0.12	0.13	0.12	0.12	0.12
C. India's RECPI with EU 28						D. India's RECPI with Viet Nam					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
Viet Nam	0.02	0.03	0.07	0.04	NA	EU 28	0.04	0.04	0.04	0.02	0.01

Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software

Food for Thought

India does not have any bilateral trade agreement either with the EU or Vietnam. On the other hand, India and Vietnam are connected with each other through the ASEAN network. Therefore, India should put more emphasis on strengthening its supply chains in the EU market as well as fast tracking its negotiation with the EU.

3. SADC, EU inch closer to ratifying EPA agreement

The European Union (EU) and Southern African Development Community (SADC) are on the verge of finalising the signing of an Economic Partnership Agreement (EPA). Negotiations for the EPA between the EU and SADC were concluded last year...The SADC EPA group consists of seven SADC member states out of the 15. These are the five Southern Africa Customs Union (SACU) member states Botswana, Namibia, Swaziland, Lesotho and South Africa, plus Angola and Mozambique...SADC member states who are part to the EPA are strong in the export of diamonds and South Africa, Botswana, Lesotho and Namibia's large share of exports are to the EU. Other products from the region include agricultural products (beef from Botswana, fish from Namibia and sugar from Swaziland), oil from Angola and aluminium from Mozambique. South Africa's exports to the EU are much diversified and range from fruits to platinum and from manufactured goods to wine. The EU exports a wide range of goods to the SADC EPA countries, including vehicles, machinery, electrical equipment, pharmaceuticals and processed food.

(<http://www.bilaterals.org/?sadc-eu-inch-closer-to-ratifying>)

CUTS Comments

This FTA between SADC and EU is likely to have moderate impact on India's export basket. Both SADC and EU are expected to substantially reduce their tariffs on each other's products. Though at present competition is moderately affecting India the situation may further change in the favour of EU in the long-run.

Trade statistics reveal that in 2014 the total value of India's export from India to SADC was approximately US\$ 15.02 billion. In the same year, the value of EU's export to SADC was approximately US\$ 48.03 billion.

As shown in Table 3.1, India and EU are competing in seven product segments (in their top 10 exports) such as mineral fuels, oils, distillation products; vehicles other than railway, tramway; pharmaceutical products; machinery, nuclear reactors, boilers; electrical, electronic equipment; articles of iron or steel; and plastics and articles thereof.

Also, in most of the competing product segments the annual growth of export of India during 2010-2014 was higher than that of the EU. However, there are products like ships, boats and other floating structures; cereals; articles of iron or steel; and articles of apparel, accessories, not knit or crochet where India is likely to remain a leading player as compared to EU.

India's Export to SADC (Export in 2014: US\$ 15019.8mn)		EU-28's Export to SADC (Export in 2014: US\$ 48032.0mn)		
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)
7,254.9	54.0	Mineral fuels, oils, distillation products, etc.	1491.2	3.9
1,352.4	24.8	Vehicles other than railway, tramway	6746.0	4.2
1,340.7	30.7	Pharmaceutical products	2270.1	5.5
656.1	-7.8	Ships, boats and other floating structures	...	...
487.8	21.0	Machinery, nuclear reactors, boilers, etc.	10247.4	4.4
328.4	7.8	Electrical, electronic equipment	4479.1	1.2
312.1	213.0	Cereals	...	...
235.7	22.0	Articles of iron or steel	1553.2	6.2
224.0	15.2	Plastics and articles thereof	1435.6	7.2
195.5	28.3	Articles of apparel, accessories, not knit or crochet	...	...
		Optical, photo, technical, medical apparatus, etc.	1857.0	6.4
		Beverages, spirits and vinegar	1045.0	8.0
		Miscellaneous chemical products	974.7	7.6
12387.5 (82%)		Top 10 Products (percentage of total export)	32099.3 (67%)	

Source: International Trade Centre Database

At the same time, when we talk about export from India to the EU, in 2014, it was valued at approximately US\$ 51.6 billion, whereas that of SADC to the EU was approximately US\$ 41.5 billion. It is expected that EU's import from India may get affected in some product segments.

India is the 4th largest import source for SADC. As shown in Table 3.2, India and SADC are competing in four product segments (in their top 10 exports) such as mineral fuels, oils, distillation products; pearls, precious stones, metals, coins; machinery, nuclear reactors, boilers, etc.; and vehicles other than railway, tramway. Currently, India is better positioned than SADC in these product segments. Also, in most of the competing product segments the annual export growth of India during 2009-2013 was greater than that of SADC.

It was also observed that in products like articles of apparel, accessories, not knit or crochet; articles of apparel, accessories, knit or crochet; organic chemicals; electrical, electronic equipment; and articles of iron or steel; and footwear, gaiters and the like, parts thereof, India has an edge over SADC. Because of this advantage, it has the potential to improve its overall position in EU's market.

India's Export to EU-28 (Export in 2014: US\$ 51569.53mn)		SADC's Export to EU-28 (Export in 2014: US\$ 41511.0mn)		
Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)	Sectors	Export Value in 2014 (US\$ mn)	Annual Average Growth (2010-2014, %)
4972.4	-4.0	Mineral fuels, oils, distillation products	12926.1	26.1
3767.8	13.0	Pearls, precious stones, metals, coins	6229.5	-2.7
3479.3	7.0	Articles of apparel, accessories, not knit or crochet	...	...
3309.8	14.0	Articles of apparel, accessories, knit or crochet	...	...
3202.4	14.0	Organic chemicals	...	...
2762.8	14.0	Machinery, nuclear reactors, boilers, etc.	2072.0	-2.3
2259.8	-1.0	Vehicles other than railway, tramway	2656.2	6.6
2129.3	-6.0	Electrical, electronic equipment	...	...
1899.6	17.0	Articles of iron or steel	...	...
1889.7	11.0	Footwear, gaiters and the like, parts thereof	...	...
		Ores, slag and ash	1971.6	-4.4
		Aluminium and articles thereof	1531.4	2.4
		Iron and steel	1467.5	-9.1
		Edible fruit, nuts, peel of citrus fruit, melons	1416.4	5.5
		Copper and articles thereof	1166.5	25.6
		Fish, crustaceans, molluscs, aquatic invertebrates, nes	868.8	-1.4
29673.02 (58%)		Top 10 Products (percentage of total export)	32305.8 (78%)	

Source: International Trade Centre Database

There was moderate similarity of export from India and EU to SADC and that of India to EU. The FKI in Table 3.3A varied between 0.22 and 0.29. This means at the aggregate level India and EU's exports are some extent similar and is increasing. On the other hand, the level of export similarity between India and SADC in EU's market is stable.

Furthermore, the RECPIs between India and EU and that between India and SADC indicate that export competitiveness was moderate for India in SADC's market and low to high in EU's market (see Table 3.3C and D).

Table 3.3: FKI and RECPI among India-SADC-EU (2010-14)											
A. India's FKI with SADC						B. India's FKI with EU 28					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
EU 28	0.25	0.26	0.29	0.24	0.22	SADC	0.17	0.17	0.17	0.17	0.16
C. India's RECPI with SADC						D. India's RECPI with EU 28					
Competitor	2010	2011	2012	2013	2014	Competitor	2010	2011	2012	2013	2014
EU 28	0.41	0.35	0.50	0.16	0.13	SADC	0.04	0.04	0.04	0.07	0.09
<i>Source: CUTS calculation using data from UN Comtrade via WITS 6-Digit and TradeSift software</i>											

Food for Thought

Though the trade potential is high and untapped, India should adopt a more proactive to explore SADC market. As a result of this FTA, a wide range of EU and SADC products will receive preferential treatment in their respective markets. India- EU and India-SADC are yet to have a bilateral trade and investment agreement. In the wake of expected changes in trade in goods, services as well as investment relationship among India, EU and SADC, India should put more emphasis on the completion of the EU-India Bilateral Trade and Investment Agreement to strengthen its position in the EU market. At the same time, it may initiate a comprehensive trade agreement with SADC to face EU's competition. Also, India needs to strengthen its trade facilitation measures to improve its supply chains with the SADC countries.