

ISAS Brief

No. 561 – 7 March 2018

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What Next for ASEAN-India Ties?

When the Heads of State of all the Association of Southeast Asian Nations member states sat side by side with Indian Prime Minister Narendra Modi during the Republic Day parade in New Delhi on 26 January 2018, it was an unmistakable sign of the growing warmth in the ties between India and Southeast Asia. The challenge now would be for both sides to take the relationship to the next level.

Rupakjyoti Borah¹

In his speech at the India-Association of Southeast Asian Nations (ASEAN) Commemorative Summit on 25 January 2018, India's Prime Minister Narendra Modi noted that the India-ASEAN friendship "has been nurtured by our shared cultural and civilizational linkages".² While ASEAN-India ties date back centuries, the two sides moved apart during the Cold War era. It was only in the post-Cold War era, after the dissolution of the erstwhile Soviet Union and the launch of India's economic reforms that India and the Southeast Asian states began to re-engage with one another. It has taken more than 25 years for the relationship between India and ASEAN to reach the present stage since it started as a sectoral dialogue partnership

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² "Opening remarks by the PM at the Plenary Session of the INDIA- ASEAN Commemorative Summit", Ministry of External Affairs. http://www.mea.gov.in/Speeches-Statements.htm?dtl/29390/Opening_remarks_by_the_PM_at_the_Plenary_Session_of_the_INDIA_ASEAN_Commemorative_Summit_January_25_2018. Accessed on 5 February 2018.

in 1992. It transformed into a full dialogue partnership in 1996 and to a strategic partnership in 2012.

Growing India-ASEAN Ties

What are the reasons for the increasing bonds between ASEAN and India?

First, India's rapid economic progress has made it an attractive investment proposition for the Southeast Asian states. India was reported to be the fastest growing major economy in the world, with a growth rate of 7.2 per cent in the last quarter of 2017.³ The growing Indian middle class is an avid consumer of high value, branded products from across the world. The Southeast Asian nations stand to gain from India's economic resurgence and the expanding consumer group in India.

Second, India has emerged to become an important player in the strategic landscape. The July 2017 standoff with China in the Doklam region of Bhutan showed that New Delhi is prepared to stand up when its core interests are threatened. Some of the ASEAN nations are concerned with Beijing's growing assertiveness in the region and see in India a balancer. New Delhi has a tri-services command (a joint command of the army, air force and the navy set up in 2001)⁴ in the strategically-located Andaman and Nicobar islands, which is not far off from Indonesia's Aceh region.

Third, the ASEAN nations are important for the success of India's 'Act-East' policy which aims to reach out to the countries of Southeast Asia and East Asia. After Myanmar became a member of ASEAN, New Delhi secured a direct land bridge to the Southeast Asian region. India is already constructing a trilateral highway with Myanmar and Thailand, which may be extended all the way to Vietnam. Although India's 'Act-East' policy started as the 'Look-

³ "India regains title of world's fastest-growing major economy", Kiran Stacey, *Financial Times*, 1 March 2018. <https://www.ft.com/content/cb5a4668-1c84-11e8-956a-43db76e69936>. Accessed on 6 March 2018.

⁴ "More muscle for India's Andaman and Nicobar defence posts to counter hawkish China", Shishir Gupta, *Hindustan Times*, 26 August 2017. <https://www.hindustantimes.com/india-news/more-muscle-for-india-s-andaman-and-nicobar-defence-posts-to-counter-hawkish-china/story-8YkEo28c3WZM9Lqq2iiJnK.html>. Accessed on 4 February 2018. See also "Tri-service integrated command in place", *The Hindu*, Special Correspondent/September 30, 2001 <http://www.thehindu.com/2001/09/30/stories/0230000f.htm>. Accessed on 26 February 2018.

East' policy in the early 1990s, the moniker was changed after the Modi government took office in 2014.

Fourth, New Delhi's interests in the region are also growing. It is a member of a number of forums. These include the East Asia Summit, ASEAN Defence Minister's Meeting Plus and the ASEAN Regional Forum. Besides, Indian companies such as Oil and Natural Gas Corporation Limited-Videsh are scouting for oil off the coast of Vietnam. In addition, the Straits of Malacca is a key choke point and it is in New Delhi's interest to keep the sea-lanes of communication in this region safe and open.

Areas of Concern

However, there are some areas which both India and the Southeast Asian nations would need to address in their efforts to further strengthen their relationship.

First, negotiations over the Regional Comprehensive Economic Partnership (RCEP)⁵ are at a crucial stage. New Delhi has expressed concerns on the liberalisation of services trade. The RCEP negotiations involve the ASEAN countries, China, India, Japan, South Korea, New Zealand and Australia. After the United States (US) walked out of the Trans-Pacific Partnership negotiations, the RCEP negotiations have assumed increased importance. Though ASEAN-India trade stood at US\$70 billion (S\$92.3 billion) in 2016-17,⁶ there is still some way to go before it reaches the levels of ASEAN's trade figures with countries like China which stood at US\$472.16 billion (S\$622.7 billion) in 2015.⁷

Second, though air connectivity between India and the ASEAN countries has increased, it has not been uniform. While major India cities like New Delhi, Kolkata, Mumbai, Chennai and Bengaluru are well connected to countries like Singapore, Malaysia and Thailand, the same

⁵ "The Regional Comprehensive Economic Partnership: India should join the Asian Trade Block", ISAS Brief No. 551 – 7 February 2018. <https://www.isas.nus.edu.sg/ISAS%20Reports/ISAS%20Briefs%20No.%20551-%20The%20Regional%20Comprehensive%20Economic%20Partnership.pdf>. Accessed on 26 February 2018.

⁶ Ministry of External Affairs, India, ASEAN- India Relations, available at <http://mea.gov.in/aseanindia/20-years.htm>. Accessed on 6 February 2018.

⁷ "Trade between China, ASEAN dips during Jan.-May", *Xinhua*, 19 July 2016. http://www.xinhuanet.com/english/2016-07/19/c_135524217.htm. Accessed on 5 February 2018.

cannot be said about the other Southeast Asian countries like Philippines, Indonesia and Vietnam, as well as the Tier-2 cities in India.

Third, within the ASEAN bloc, the different countries are going through differing stages of development. This would impact the way India frames it policies and approaches towards them. For example, New Delhi has special lines of credit for the CLMV (Cambodia, Laos, Myanmar and Vietnam) countries.

What Lies Ahead?

New Delhi has made it clear that its policy towards ASEAN would be guided by the three ‘Cs’ – Commerce, Connectivity and Culture. It would also do well to note that Beijing has been pouring billions of dollars into the ASEAN countries and has already stolen a march over New Delhi in the field of infrastructure.

India should also capitalise on the huge Indian diaspora spread across the Southeast Asian region and its soft power, which has seeped into the region. The ASEAN-India Pravasi Bharatiya Divas in Singapore in early January 2018 was a great success. More such initiatives should be undertaken by the Indian government. At the event, among the key guests from India was Sarbananda Sonowal, Chief Minister of India’s north-eastern state of Assam. The State has projected itself as “India’s gateway to the ASEAN” and organised a Global Investors’ Summit on 3 and 4 February 2018. Such initiatives will go a long way in taking India-ASEAN relations to the next level.

The Chinese reaction to the participation of the ASEAN leaders in India’s Republic Day parade seemed to be muted. The Chinese Foreign Ministry Spokesperson noted that, “[W]e hope all countries can work together for peace, stability and development of the region”.⁸ This statement seemed to underscore the point that Beijing does not wish to burn bridges with either the ASEAN nations or India on this issue.

⁸ “China downplays unprecedented India-ASEAN summit, presence of top leaders at Republic Day”, PTI, *Times of India*, 25 January 2018. <https://timesofindia.indiatimes.com/india/china-downplays-unprecedented-india-asean-summit-presence-of-top-leaders-at-republic-day/articleshow/62651715.cms>. Accessed on 26 February 2018.

There are opportunities to further enhance ASEAN-India relations. It is important to see that key initiatives come to fruition and that too within the agreed timelines. The India-Myanmar-Thailand trilateral highway is behind schedule and is now only expected to be completed by 2019. Other major projects like the Kaladan Multi-Modal Transit Transport Project⁹ in Myanmar are also behind schedule. New Delhi would have to step on the pedal as far as connectivity initiatives are concerned. In addition, it needs to work with the ASEAN states to further enhance trade, investment, security and people-to-people ties. Only then, will India be able to reap the full benefits of its ‘Act-East’ policy.

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⁹ “Parliamentary Panel on External Affairs irked at delays in Kaladan project in Myanmar”, Ritu Sharma, *New Indian Express*, 13 February 2017. <http://www.newindianexpress.com/nation/2017/feb/13/parliamentary-panel-on-external-affairs-irked-at-delays-in-kaladan-project-in-myanmar-1570266.html>. Accessed on 2 February 2018.