

India and ASEAN in a Changing Regional Order

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Summary

Indian Commerce Minister Piyush Goyal's reported remark at the India Global Forum in London on 19 June 2025 – that some member states of the Association of Southeast Asian Nations are 'China's B team' – underscores the strategic divergence between the two sides on the appreciation of the rapidly changing regional order. It underlines the importance of an urgent and honest dialogue that helps the two sides better understand each other's concerns and find common ground in managing the new challenges to their security and prosperity.

India's relationship with Southeast Asia has seen ups and downs. After the 1955 Bandung Conference on Afro-Asian Relations, India drifted away from Southeast Asia towards the more global non-aligned movement. It was only in the early 1990s that New Delhi returned productive reengagement with the region.

India's 'Look East' policy of the early 1990s was welcomed with much enthusiasm by Singapore and other ASEAN member states. India was integrated progressively into ASEAN-led structures like the Regional Forum, the East Asia Summit, and the ASEAN Defence Ministers Meeting Plus. This was accompanied by a deepening economic, technological, political and security engagement between India and the ASEAN region.

India's quiet intensification of bilateral ties with the Southeast Asia countries did not always meet the expectations of the regional elites. Comparisons of India's regional performance with Beijing were inevitable, for example, on trade volumes. However, China's economy at US\$20 trillion (S\$25.7 trillion) today is nearly five times larger than that of India at about US\$4 trillion (S\$5.36 trillion). Unlike India, China is at the geographic heart of East Asia and will always remain a more important factor for the region.

This trajectory of incremental expansion of bilateral engagement between India and ASEAN now confronts some turbulence. India's decision in 2019 to walk away from the negotiations on the Regional Comprehensive Partnership was a culmination of the growing concern in New Delhi at the mounting trade deficits with China and the region. However, the challenges to the India-ASEAN ties are not limited to the realm of trade and commerce. It has now begun to envelop the political domain.

The sharpening tensions between India and China since the mid-2010s and the simultaneous intensification of the rivalry between the United States (US) and China have begun to create new divergences between New Delhi and the ASEAN region. Much like the US-Soviet Cold War that drove a wedge between India and the region from the 1950s to the 1980s, the return of great power conflict has begun to cast a shadow over the India-ASEAN relationship.

Preventing the current dynamic from undermining the partnership built and nurtured over the last three decades must be a high political priority for India and ASEAN. When India and Southeast Asia reconnected in the early 1990s, the world and the region were in a very different place. The end of the Cold War, the bonhomie between all the major powers, including the US, post-Soviet Russia, China and Japan, and the rising tide of economic globalisation provided an opportune moment for the transformation of the region through regional integration.

ASEAN rose to the occasion in a splendid manner to lead the regional reorientation after the Cold War. The economic rise of ASEAN, coupled with India's own reforms, provided the basis for a substantive partnership between the two. The absence of great power rivalry opened a window of unprecedented geopolitical agency to ASEAN. The end of the Cold War allowed India to look beyond Russia – its main strategic partner – to assume regional leadership role. India's new focus on improving ties with all the great powers provided a positive context for its regional engagement with Southeast Asia.

That world, unfortunately, no longer exists. The dramatic rise of China and its intensifying confrontation with the US in recent years has presented a very different regional context for India and ASEAN. The natural inclination for India and ASEAN is to avoid being drawn into a zero-sum competition between the two superpowers and to retain their agency and autonomy. However, New Delhi's traditional preference for nonalignment between the US and China has been complicated by the rapidly deteriorating relationship with Beijing. A series of military confrontations on the disputed northern border with China has pushed India closer to the US. Meanwhile, ASEAN's balancing act between the US and China is getting harder as the squeeze on the region becomes harder as the pressure to choose intensifies.

New Delhi's participation in groupings such as the Quadrilateral Security Dialogue (Quad), which includes the US, Japan and Australia, has raised concerns among the ASEAN member states about India's perceived alignment with American interests. Although India and the Quad continue to affirm ASEAN's centrality for regional security, Southeast Asia remains far from reassured. The real challenge though lies in the divergent perspectives on the future of regional security.

The preference of the leaders of the ASEAN member states is not to choose between China and the US, given the scale, depth and complexity of Southeast Asia's economic and security ties with the two great powers. India, in contrast, is increasingly tempted to view the world through the lens of its deepening conflict with China. New Delhi, however, must resist that counterproductive temptation.

Indian leaders and officials must also display greater sensitivity to ASEAN's challenges in coping with the new regional complexities. The Indian strategic community needs to develop a better appreciation of [ASEAN's tradition of navigating great power conflict](#) and its low-key but resilient protection of the region's interests in harsh external environments. Meanwhile, the extraordinary disruptions in economic and security policy unleashed by US President Donald Trump in his second term have a great impact on both India and ASEAN. Southeast Asia remains a critical part of India's extended neighbourhood – geopolitical

changes in the region have a powerful impact on India's security environment. The Indian concerns about China's role in its eastern neighbourhood should, in fact, spur New Delhi to deepen the engagement with ASEAN rather than turn its back on it. India must continue to bet that ASEAN's major power relations are not a zero-sum game. ASEAN, in turn, must understand the depth of the structural tensions between India and China that often leads to political outbursts in New Delhi.

There are enough stakes in the relationship for both India and ASEAN to preserve the gains of the last three decades and advance them. Meanwhile, the extraordinary disruptions in economic and security policy unleashed by US President Donald Trump in his second term will have a great impact on both India and ASEAN. They could also lead to the lessening of tensions between New Delhi and Beijing. The current strategic churn then demands more intensive consultations between the economic and security elites of India and ASEAN on the new regional dynamic and greater collaboration to protect their respective interests.

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