South Asia Scan

The Rise and Stall of Thailand-India Relations

Sandeep Bhardwaj

NUS National University of Singapore
ISAS Institute of South Asian Studies

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Introduction

"Now, I have a problem with the strategic partnership between Thailand and India, to be very frank", said Thailand's Minister of Foreign Affairs Sihasak Phuangketkeow in a 2024 speech at Sapru House, New Delhi. "It's taken too long. We talked about the strategic partnership [12 years ago] But...we haven't made progress in our strategic partnership." Sihasak was giving voice to a frustration that has afflicted the Thailand-India relationship for nearly two decades. They are two major nations situated close to each other in the great crescent that connects South and Southeast Asia. They share a maritime boundary in the Andaman Sea. Yet, this geographical proximity is not reflected in their bilateral ties. The relationship is characterised by a surprising degree of indifference and distance.

This lack of diplomatic interest is mirrored in scholarship. Research on the modern era of the relationship is patchy at best, except for one in-depth, comprehensive study by Reena Marwah.[1] Consequently, the question what explains the diplomatic distance between India and Thailand is not asked often enough. When it is asked, the usual explanations offered are political instability in Thailand, protectionist tendencies of India or Bangkok's closeness to Beijing. Although these factors do play a role, they are not sufficient explanations. The relationship has sometimes failed to gain momentum even during periods of relative political stability in Thailand or when New Delhi was open to trade deals.

The question is all the more puzzling when we consider that Thailand-India relations were far more intimate in the past. Thailand played a crucial role in India's 'Look East' policy in the 1990s and early 2000s. The two countries witnessed a remarkable level of investment flows and close economic cooperation. Thailand was the second country with which India initiated bilateral free trade agreement (FTA) negotiations outside South Asia. Thailand championed India's elevation as a full Dialogue Partner of the Association of Southeast Asian Nations (ASEAN). The two countries worked together to establish the Bay of Bengal Initiative for Multi-Sectoral Technical

1 Special Lecture by Sihasak Phuangketkeow, Indian Council of World Affairs, Sapru House, New Delhi, 26 February 2024, https://www.icwa.in/show_content.php?lang=1&level=2&ls_id=10646&lid=6778.

and Economic Cooperation (BIMSTEC) and the Mekong-Ganga Cooperation (MGC). "India and Thailand are destined to be on the same side of history, as neighbours, as friends, and as partners in the quest for progress", declared India's Prime Minister Manmohan Singh in 2005.[2]

It is impossible to understand where the relationship is without understanding how it got there. This South Asia Scan is a study of the evolution of Thailand-India bilateral relations over the long run. It identifies long-term patterns and trends driving the relationship below the surface to tease out the path dependencies that have led to the current state of affairs.

The central focus of the Scan is the relationship over the last 40 years. India's Prime Minister Rajiv Gandhi visited Bangkok in 1986, kickstarting the modern era of the relationship. It was the first time that a head of the government of either country had made a state visit to the other since 1872.[3] The fundamentals of the relationship, negotiated in the 1980s, continue to this day.

In addition to tracing the history of the relationship, this Scan also provides a comprehensive overview of the bilateral ties as they stand today. It explores the six most important dimensions of the relationship: strategic, economic, non-traditional security, connectivity, multilateral and cultural. The goal is to provide insights to policymakers and researchers, and an informative narrative to the interested reader. The research is based on government records, historical newspaper reports and economic reports, as well as interviews with diplomats, academics and journalists who have observed the relationship closely.

The rest of the Scan is divided into four parts. First, it lays out the history of interactions between India and Thailand in the pre-colonial, colonial and Cold War eras. This history is not just fascinating; it also shines light on some centuries-old events and developments

2 "Speech of Prime Minister Dr. Manmohan Singh at the Indira Gandhi Peace Prize Ceremony for Princess Maha Chakri Sirindhorn of Thailand", New Delhi, 19 November 2005, in AS Bhasin (ed.), *India's Foreign Relations Documents 2005* (New Delhi: Geetika Publishers, 2005), 132-133.

3 Indian Prime Minister Jawaharlal Nehru stopped for a night in Bangkok in 1954 on his way to Djakarta. Thai Prime Minister General Kriangsak Chamanan stopped in New Delhi for a few hours in 1979 while returning from the Soviet Union. Neither were state visits.

that continue to shape the bilateral relationship today. The second part provides an in-depth history of the relationship in the last four decades, starting from Rajiv Gandhi and Chatichai Choonhavan up to Narendra Modi and Anutin Charnvirakul. The third part surveys various themes, issues and patterns in the contemporary relationship. The final part makes the case that Thailand and India need to develop a new agenda to give direction to their partnership. It offers some suggestions on how to shape such an agenda.

Shared Past

Historical cultural connections between India and Thailand are at once obvious and obscure. Although commonality between Indian and Thai cultures is evident in language, religious practices, food, architecture and art, how these ideas and practices circulated is lost to us. Indian culture, most likely, first came into Thailand in the second century BCE through commercial exchanges. Merchants not only brought Brahminism and Buddhism but also ideas about urban living, languages, construction and statecraft. Under the influence of Khmer tradition, indigenous kings began bringing in Brahmins and their rituals to legitimise their kingship.[4] Brahminism continues to play a major role in the Thai Royal Court to this day.

The contacts intensified with the rise of the Kingdom of Ayutthaya (1351-1767), as its trade expanded westward after it seized the island of Phuket and key ports on the Tenasserim coast overlooking the Andaman Sea. Ayutthaya became a trading hub between India and China, thanks to the portage route across the neck of the peninsula. Goods arrived on the Thai shores via the Gulf of Thailand or the Andaman Sea and were taken to the other side overland.[5]

From the perspective of modern Thailand-India relations, a most consequential development was the Burmese invasion of Ayutthaya in the 1760s. The invaders not only succeeded in destroying the capital city but also captured most of the Tenasserim Coast. This meant that Siam, the successor to Ayutthaya, was effectively shut out of the Indian Ocean trade. Unable to restore the transoceanic portage route, Siam's trade turned mainly to China while contacts with India reduced substantially. This carried long-term implications for the kingdom's immigration patterns and infrastructure. By the early 19th

4 Karamveer Singh, "Cultural Dimensions of India-Thailand Relations: A Historical Perspective", *History and Sociology of South Asia* 16 no. 2 (2022); Amara Srisuchat, "Indigenous Thought on Indian Traditions in Thailand", in Shyam Saran (ed.), *Cultural and Civilisational Links Between India and Southeast Asia: Historical and Contemporary Dimensions* (New Delhi: Palgrave Macmillan, 2018); and Boreth Ly, "Broken Threads: Contested Histories of Brahminism in Cambodia and Thailand and the Construction of Ritual Authority", in Pierre-Yves Manguin (ed.), *Early Interactions Between South and Southeast Asia* (Singapore: ISEAS-Yusof Ishak Institute, 2015), 461-482.

5 Bhawan Ruangsilp and Pimmanus Wibulsilp, "Ayutthaya and the Indian Ocean in the 17th and 18th Centuries: International Trade, Cosmopolitan Politics, and Transnational Networks", *Journal of the Siam Society*, 105 (2017); and Chris Baker and Pasuk Phongpaichit, *A History of Thailand* 4th ed. (Cambridge: Cambridge University Press, 2022).

century, the majority of Bangkok's population was Chinese. To this day, all major Thai ports are located on its eastern coast facing China.[6]

The colonial era opened a new chapter in the relationship. The East India Company had enjoyed intermittent contacts with Ayutthaya and then Siam since the 17th century, including an abortive war in 1687. As Britain's control over India expanded, its diplomacy with Siam became regularised. It is a common misconception that the relations with Bangkok were exclusively handled from London. In fact, in the 19th century, Siam developed two overlapping but distinct diplomatic relationships - one with the British government in London and one with the British Indian government in Calcutta. Britain and British India were part of the same imperial system, but they had different strategic and economic priorities in Siam. London and Calcutta negotiated and signed different treaties with Bangkok. While the British Foreign Office maintained a legation in Bangkok, the Indian government ran a consulate in Chiang Mai.

The 1855 Bowring Treaty opened up Siam's economy to British and Indian businesses. The teak business in Chiang Mai came to be dominated by Indian firms such as the Bombay-Burmah Trading Company. Chiang Mai's economy was so enmeshed with India's that the rupee was used as the common currency in the region. Interests of the British-Indian capital and labourers working in Siam regularly produced tiffs between Bangkok and Calcutta.[7]

The annexation of Upper Burma in 1885 brought the Indian border right up to the Mekong region. French expansion in Indochina also reached the region from the west. In the late 1880s and 1890s, London and Paris seriously considered dividing Siam into spheres of influence, which would have likely resulted in its absorption into the two empires. However, strategists in Calcutta wished to maintain a buffer between India and Indochina. It was the insistence of the Indian Office that persuaded the British government to abandon the idea of reaching a deal with the French and adopt a policy of supporting Siam's continuance as an independent kingdom. Although, Bangkok's nimble diplomacy was a key factor in ensuring that Siam

6 Baker and Pasuk, *A History*, 31-32.

7 M L Manich Jumsai, *History of Anglo-Thai Relations,* 6th ed. (Bangkok: Chalermnit, 2000); and Owart Suthiwartnarueput, *From Extraterritoriality to Equality: Thailand's Foreign Relations 1855-1939* (Bangkok: International Studies Center, 2021).

was the only Southeast Asian country not to fall into colonial hands, so was British India's strategic interest.[8]

Two high-profile visits of the late colonial era have now become defining markers in the collective memory of Thailand-India relations. First was King Chulalongkorn's journey across India in 1882 that included Calcutta, Bombay, Delhi, Lucknow, Kapur, Benares and Agra. The King encountered railways, museums, botanical parks, military facilities and numerous other symbols of colonial modernity. He borrowed several ideas of state administration to implement in his country. At the same time, he also recognised that Indians had been conquered by Europeans, whereas Siam had not. He could not help but look at some of the Indian princes with pity, who carried on their profligate spending to hold onto a false sense of majesty.[9]

The second famous visit was made by Indian poet laureate Rabindranath Tagore to Siam in 1927. His visit marked the high point of Indian nationalism's growing fascination with "Greater India", a worldview that positioned India as the mother country with civilisation and culture radiating out. Tagore thought that the visit to Siam and other Southeast Asian countries would highlight India's historical cultural power, serving as an antidote to the self-perception of "weakness" that Indians had acquired during the colonial era. He saw the culture of Siam as the reflected glory of India.[10] The two encounters were significant in their rarity. They underscored how little elites of India and Siam engaged with each other compared to India's interaction with other Southeast Asian countries.

The Second World War brought to the fore the strategic significance of the two countries to each other. For British India, the threat from Thailand (Siam was renamed in 1939) was two-fold. Thailand became the staging post whence Japan launched its invasion of Burma and into the eastern territories of India. Second, Thailand was the ground where Indian anti-colonial revolutionaries made contact with the

8 Chandran Jeshurun, *The Contest for Siam, 1889–1902: A Study in Diplomatic Rivalry* (Kuala Lumpur: University of Malaysia Press, 1977). See also Nigel Brailey, "Protection or Partition: Ernest Satow and the 1880s Crisis in Britain's Siam Policy", *Journal of Southeast Asian Studies* 29, no. 1 (1998).

9 Gregory Raymond and John Blaxland, *The US-Thai Alliance and Asian International Relations: History, Memory and Current Developments* (Routledge, 2021); and Jumsai, *History of Anglo-Thai*, op. cit.

10 Rabindranath Tagore, "Greater India", *Modern Review,* August 1927; and Sawitree Charoenpong, "Rabindranath Tagore in Thailand: His Visit, Impact and Legacy", in Lipi Ghosh (ed.), *Rabindranath Tagore in South-East Asia: Culture, Connectivity and Bridge Making* (Primus Books, 2016).

Japanese, eventually resulting in the formation of the Indian National Army. On the flipside, at the end of the war, Siam was occupied by the 7th Indian Division, a reminder that Thailand was located next door to a major military power.

Colonialism revived the old links between India and Siam (which had been China-facing since the loss of its western ports in 1750s) but it also strait-jacketed them. It was much easier for people, ideas, goods and capital to circulate within the British Empire than to go outside it. India found the border walls of distant British Malaya lower than the walls of the independent kingdom of Thailand. Resultantly, in 1947, only 20,000 Indians lived in Thailand as opposed to 750,000 in Malaya. Indians held paltry investments in Thailand compared to Burma, Malaya and even French Indochina. Thailand occupied much less space in the imagination of Indian nationalists, who were otherwise fascinated by the anti-colonial movements of Indonesia and Indochina.

The Cold War

Indian independence in 1947 created the basis for a fresh relationship between Bangkok and New Delhi. It is often assumed that the Cold War ensured nonaligned India and US-allied Thailand were locked in a state of permanent antagonism. In fact, their relationship in the mid-20th century was complex and fluid. The Cold War era witnessed at least two serious attempts by the two to move closer to each other. In the early post-war period, they tried to build a relationship on the basis of rice trade. In 1946, New Delhi loaned ₹50 million to Thailand to rebuild its economy and restart its rice production. India needed to buy rice to ameliorate its persistent food shortages.[11] However, the relationship lost steam in the 1950s as Burma emerged as the principal supplier of rice to India.

New Delhi grew chary of Bangkok because of the Thai support for the Kuomintang troops that infiltrated into Burma in 1949 and Bangkok's decision to join the Southeast Asia Treaty Organisation (SEATO) in 1954. The Thais looked at New Delhi with suspicion due to Indian attempts to lead the pan-Asian movement. Bangkok not only saw itself as the rightful leader of Southeast Asian solidarity, but it also felt uncomfortable with the Indian brand of anti-colonial radicalism, which could pose a threat to the conservative monarchical system in Thailand. Matters were not helped by the fact that Thailand returned to military rule after the 1947 coup, whereas India embraced democracy.

The second occasion to revitalise the Thailand-India relationship came after the 1962 Sino-Indian War. New Delhi was dismayed that its partners from the Non-Aligned Movement (NAM) failed to offer it diplomatic support during the conflict. Anti-communist Thailand, on the other hand, offered vocal support to India. The Thai government used the opportunity to reset the bilateral relationship. Thai Foreign Minister Thanat Khoman visited New Delhi in 1963 to conclude an agreement that New Delhi and Bangkok would regularly consult each other on mutual interests.[12] This kick-started a period of friendly relations which lasted until 1980.

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11 "Government of India's loan to Siam", 261-FEA/1948, 1948, Ministry of External Affairs, National Archives of India, New Delhi.

12 *Annual Report*, 1963-64 (New Delhi: Ministry of External Affairs, Government of India, 1964).

Once again, rice became the basis of the renewed relationship. As Burma went into self-imposed isolation after the 1962 coup, Indian rice imports from Thailand steadily grew. By the late 1960s, India's trade deficit with Thailand was nearly 100 per cent.[13] It was only after India expanded its exports of gems & jewellery, chemicals and machinery in the late 1970s that the trade balance turned back to India's favour.[14]

Beyond the expansion of trade, the period of amity led to some notable instances of cooperation. In 1978, the two countries agreed to delimit their shared seabed boundary in the Andaman Sea, removing a major potential source of friction for good. Indian companies began to invest in manufacturing units in Thailand, starting with the Birla business house in 1969. Over the next decade, Indian firms established 13 joint ventures in Thailand, totalling ₹7.2 crores, making the country the fifth largest destination for Indian outward foreign direct investment (FDI).[15] Some of those companies are still active in Thailand today.

13 T J S George, "Thailand Beckons, *"Economic and Political Weekly* 4 no. 16 (1969).
14 *Annual Report*, 1978-79 (New Delhi: Ministry of External Affairs, Government of India, 1979).
15 Peter O'Brien, "Third World Industrial Enterprises: Export of Technology and Investment", *Economic and Political Weekly* 15 no. 41/43 (1980).

Crisis in the Relationship

Thai-Indian ties were severely destabilised in the early 1980s because of a combination of developments. In 1979, Vietnam invaded Cambodia (then known as Kampuchea) to oust the Khmer Rouge and establish a pro-Soviet regime under Heng Samrin. Thailand sheltered the remnant of the Khmer Rouge and soon became a base for cross-border insurgency against Phnom Penh. Vietnam responded by carrying out raids into Thai territory. ASEAN-5 (Thailand, Singapore, Indonesia, Malaysia and the Philippines) demanded Vietnam's withdrawal from Cambodia. China, which had long supported the Khmer Rouge, used the opportunity to improve relations with Thailand and other Southeast Asian countries.

Indian Prime Minister Indira Gandhi chose to back Vietnam in the conflict, providing small-scale economic aid to Vietnam and Cambodia. Her policies were motivated by a desire to frustrate Chinese moves in the region and to ensure the continuance of Vietnamese power. New Delhi recognised the Heng Samrin regime only weeks after Vietnam made incursions into Thai territory. Predictably, Bangkok was incensed. In 1981, Indira Gandhi touched off a diplomatic firestorm when she accused the Thai army of operating in Cambodia. The Thai press declared that India harboured expansionist designs.[16]

The mistrust was exacerbated as India announced its plans for a major naval buildup, including a second aircraft carrier and an expanded presence in the Andaman Sea.[17] Indian intervention in Sri Lanka in 1987 further raised the threat perception in Bangkok. In fact, the Thai navy reportedly cited "the rise of Indian naval power" as one of the reasons to justify its purchase of an aircraft carrier in 1992.[18] Meanwhile, New Delhi grew wary of Bangkok as it, spurred by the Cambodian conflict, grew closer to China.

16 Kripa Sridharan, *The ASEAN in India's Foreign Policy* (Aldershot: Dartmouth Publishing, 1996), 134-162; John Garver, "Chinese-Indian Rivalry in Indochina", *Asian Survey* 27 no. 11 (1987); and Puangthong Rungswasdisab, "Thailand's Response to the Cambodian Genocide", in Susan Cook (ed.), *Genocide in Cambodia and Rwanda: New Perspectives* (Routledge, 2006).

17 Ashley Tellis, "India's naval expansion: Reflections on history and strategy", *Comparative Strategy,* 6 no. 2 (1987).

18 Vijay Sakhuja, "Dragon's dragonfly: The Chinese aircraft carrier", *Strategic Analysis* 24 no. 7 (2000).

In the mid-1980s, Indians looked with envy as Japanese investment poured into Thailand, kickstarting the Thai Boom. Meanwhile, Japanese economic interest in India waned after the initial enthusiasm that had led to the establishment of Maruti Suzuki, the celebrated automobile joint venture.[19] Thailand, which had been a largely agrarian economy until the 1980s, appeared to be leapfrogging India to become the "fifth Asian tiger".[20] Thai-Indian relations were at their lowest since the end of the Second World War. Few could have anticipated at the time that the Cold War would soon end, triggering a new chapter in Thai-Indian ties.

19 D H Pai Panandiker, "Thailand vs. India", *Hindustan Times,* 19 July 1988.

20 See Pasuk Phongpaichit and Chris Baker, *Thailand's Boom and Bust* (Chiang Mai: Silkworm Books, 1998).

The Modern Era

The Reset (1986-1991)

Attempts to repair the Thai-Indian relationship began in the last year of Indira Gandhi's term. Indian diplomats visited Bangkok in 1984 to reach an agreement that the Cambodian conflict should not hijack the entire relationship.[21] Rajiv Gandhi became the first Indian prime minister to make a state visit to Thailand in October 1986.[22] The visit resulted in several modest initiatives of bilateral cooperation in the fields of science, agriculture, trade and culture. As an olive branch, Bangkok called on New Delhi to use "its immense prestige and moral influence" to help resolve the Cambodian conflict.[23]

Chatichai became the first Thai prime minister to travel to India on a state visit in March 1989.[24] He was the proponent of a new foreign policy doctrine - "battlefield to marketplace" - that called for softening Thailand's position on the Cambodian conflict to develop closer trade relations with Indochina and states aligned with Vietnam.[25] In New Delhi, Chatichai talked up the economic potential of Thailand-India relations, promising that "the winds of change are blowing everywhere in South East Asia".[26] New Delhi and Bangkok established a foreign minister-level joint commission to explore areas of cooperation, a novel diplomatic idea for the time.

In the late 1980s, the bilateral trade grew rapidly from US$120 million in 1986 to US$1 billion in 1991. India became the largest purchaser of Thai rice, while Thailand imported more manufactured goods, including chemicals, machinery, automobile parts and iron and steel products from India.[27] Oil and Natural Gas Corporation, the Indian state-owned petroleum firm, sought to develop gas fields in the Gulf of Thailand.[28] Indian jewellery and diamond firms began to use

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21 *Annual Report*, 1984-85 (New Delhi: Ministry of External Affairs, Government of India, 1985).
22 Nehru had stopped in Bangkok for a night in 1954 while on his way to Indonesia.
23 "PM for Bid in Kampuchea", *The Times of India*, 20 October 1986.
24 Kriangsak transited through Delhi in 1979 on his way to and back from the USSR.
25 Salinee Phonprapai, *Battlefield to Marketplace: Responses to Thailand's Major Foreign Policy Change,* (Bangkok: Ministry of Foreign Affairs, 2021).
26 "Thai Premier for more bilateral trade", *Hindustan Times,* 1 April 1989.
27 "More two-way trade with Thailand proposed", 30 March 1989; and "Thai Delegation to Visit India", *Bangkok Post*, 20 July 1989.
28 "India applies for Gulf petroleum scheme", *Bangkok Post,* 15 April 1989.

Thailand as a production base intended for exports because they found the regulatory environment more liberal than at home.[29]

Look East-Look West (1991-1997)

The end of the Cold War, coupled with economic liberalisation in 1991, triggered a major reset in Indian foreign policy as New Delhi looked to find new economic partners. Prime Minister Narasimha Rao initiated the 'Look East' policy, primarily aimed at attracting investments and technical know-how from East Asian countries. Thailand's role in lifting India's 'Look East' policy in its early years has been largely forgotten today but it was crucial at the time.

The Thai boom was in full swing by the turn of the decade. The economy grew at an average annual rate of 9.5 per cent every year between 1987 and 1996. Confident Thai businesses looked to expand to new markets. The country was attracting so much FDI that the Bank of Thailand began encouraging export of surplus capital to keep the Baht from appreciating. Thailand had no investments in India in 1991. It became the third-largest investor in India for the year in 1995. By 1996, it had become the sixth-largest all-time investor in India and the largest from Southeast Asia.[30]

The biggest investment came from the agro-industrial conglomerate Charoen Pokphand Group, which continues to be the largest Thai investor in India to this day. Several major players followed, including Shinawatra Group, TelecomAsia, Jasmine International and Siam Commercial Bank. Thai telecommunication companies were some of the first to enter India's nascent mobile telephony market.[31] The Thai-Indian Siam Vidhya Group acquired 40 per cent in the Kerala-based Catholic Syrian Bank.[32]

The boom transformed Thailand from an agrarian economy to a manufacturer of electronics, automobiles, cell phones and satellites. Its trading patterns altered accordingly. Instead of rice, Thailand began exporting synthetic fibre, electrical appliances and

29 "Indian diamond houses opt for base in Thailand", *Bangkok Post*, 23 February 1990.
30 Dharani Kothandapani, "Thailand Third Largest Investor in India", *Bangkok Post*, 28 March 1996.
31 Supaphan Plengmaneepun, "Thai Telecom firms flying high in India", *Bangkok Post*, 8 August 1995.
32 "Industry Group's Pact spurs Thai-Indian Cooperation", *Bangkok Post*, 10 December 1994.

transportation equipment to India. Meanwhile, India emerged as a major competitor of Thailand in the international rice market owing to rapid expansion of its agrarian sector.

The Thai government believed that it had missed out on the economic opportunities created by the opening of China in the 1980s. It was resolved not to repeat the same mistake with the Indian liberalisation. Prime Minister Chuan Leekpai launched a 'Look West' policy to promote Thailand's relations with South Asia, accompanied by a slew of economic and multilateral proposals. In 1994, Chuan floated the idea of a multilateral FTA between Thailand, India, Bangladesh and Sri Lanka. The idea eventually evolved into BIMSTEC.[33] The Thai government proposed a regional airline called 'BIST' to connect Bangladesh, India, Sri Lanka and Thailand.[34] It also championed India's elevation to a Dialogue Partner status within ASEAN.[35] In fact, the decision to elevate India's status was made during the ASEAN Summit in Bangkok in 1995. Thai Deputy Prime Minister Supachai Panitchpakdi went further by suggesting that India should join ASEAN as a member state.[36]

Rao underscored the importance of the Thailand-India relationship by visiting Bangkok in 1993 as his first major trip to Southeast Asia to promote the 'Look East' policy.[37] Even Indian chief ministers travelled to Thailand to court investors and tourists. The Thai Crown Prince visited India for the first time. The Indian Ministry of External Affairs observed in 1995 that "[w]ith Thailand, there is an excellent understanding at the political level".[38]

The Rough Patch (1997-2000)

The 1997 Asian Financial Crisis brought an end to the Thai economic boom and had knock-on effects on Thai-Indian ties. Several Thai companies pulled their investments from India under financial pressure at home, never to return. Henceforth, Indian FDI into Thailand would always exceed Thai investment into India. The bilateral trade was also temporarily affected.

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33 "Stronger Economic Links with South Asia Proposed", *Bangkok Post*, 4 July 1994.
34 "India agrees to proposal for regional airline", *The Times of India*, 10 June 1997.
35 Chatrudee Theparat, "Thailand asks for ASEAN ties with India", *Bangkok Post*, 7 November 1995.
36 "Join ASEAN, India told", *The Times of India*, 7 January 1995.
37 He had visited Indonesia before for a NAM Summit.
38 *Annual Report 1994-95* (New Delhi: Ministry of External Affairs, Government of India, 1995), 18

Notably, India stayed aloof even as Japan, China, Singapore and Hong Kong provided financial support to Thailand and other ailing Southeast Asian economies. Its attitude indicated that despite seven years of 'Look East', India did not view itself as part of the region. Its lack of action cost it goodwill in Bangkok and elsewhere. A 1999 editorial in the Thai newspaper *The Nation* captured the mood when it compared China's "positive role" with India's refusal to show "solidarity with Asia". The editorial concluded that "India has failed miserably to fulfil the rising expectations of Asian countries".[39]

The Indian establishment also recognised its misstep.[40] It belatedly offered Southeast Asian countries credit and financial guarantees to facilitate trade (although no monetary support in times of crisis). It also signalled that it was willing to join any regional arrangements on trade, investment and finance.[41] However, Indian sop proved too little too late. The financial crisis gave birth to several multilateral initiatives, including ASEAN+3, the Chiang Mai currency swap arrangement and the Asian Bond Market Initiative. India was not included in any of them.

The Indian nuclear tests in 1998 further set the Thailand-India relationship back. Bangkok criticised the tests. Thai Foreign Minister Surin Pitsuwan declared that Thailand wished to see the region free of nuclear weapons.[42] The relationship appeared much weaker at the end of the decade than it had been at the start.

Revitalising Ties (2000-2006)

With the Thai boom at an end, India and Thailand could not return to the dynamic of the 1990s. Thailand was no longer brimming with excess FDI or corporate ambition to buoy the ties. In the new millennium, New Delhi and Bangkok had to reimagine a new basis for the relationship.

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39 "The new Indian govt must focus on Asia", *The Nation,* 11 October 1999.

40 Apratim Mukarji, "Passive role may cost India dear", *Hindustan Times,* 23 August 1997.

41 Dinesh Sharma, "India seeks more countertrade with ASEAN", *Bangkok Post,* 11 May 1998; and Statement by Jaswant Singh at the ASEAN Post Ministerial Conferences Plenary Session, 29 July 1998, Manila, https://asean.org/statement-by-deputy-chairman-planning-commission-of-india-jaswant-singh-on-the-occasion-of-the-asean-31st-post-ministerial-conferences-pmc-91-plenary-session-july-29-1998-manila/.

42 Udai Bhanu Singh, "India and the ARF: the post-Pokhran II phase", *Strategic Analysis,* 22 no. 10 (1999).

The effort was led by Prime Minister Thaksin Shinawatra from Thailand and Prime Minister Atal Behari Vajpayee from India. Thaksin arrived in the office with grand ambitions of making Thailand a regional leader and finding new economic opportunities for the country abroad. As a businessman, he had years of experience dealing with India and enjoyed strong connections with the Indian industry. Deepening economic relations with India (and China) was a centrepiece of Thaksin's foreign policy. He also believed that maintaining good relations with India, a rising power, was in Thailand's strategic interests.[43] Under Vajpayee, New Delhi was looking to shore up its global position after the brief bout of international isolation it suffered due to the nuclear sanctions. The Indian economy was about to enter a high-growth phase, which would prompt it to assume a more confident diplomatic posture.

India and Thailand exchanged six prime ministerial visits between 2001 and 2006, indicating a remarkable intensity of diplomatic engagement.[44] During his first visit to India as Thai prime minister in 2001, Thaksin signalled a new approach to the bilateral ties by going to Bangalore - India's Silicon Valley - before New Delhi. Vajpayee became the first foreign leader to address the Thai parliament in 2003. Manmohan Singh's first foreign trip after his assumption of office in 2004 was to Bangkok.

Whereas the Thai economic boom had naturally propelled the bilateral relationship in the 1990s, now the two sides made deliberate efforts to deepen cooperation and harness complementarities. They sought to reinvent the relationship by building out a new agenda with four focus areas: economic, connectivity, security, and multilateralism. Vajpayee laid out the vision of economic cooperation in 2003, "Thailand can be India's commercial bridge to Southeast Asia, while India provides Thailand with a huge domestic market and a low-cost, high-skilled manufacturing base for Thai businesses for their global success."[45] A major project of economic cooperation was the India-Thailand FTA. In 2003, Thailand became the second

43 Pavin Chachavalpongpun, *Reinventing Thailand: Thaksin and his Foreign Policy* (Singapore: ISEAS-Yusof Ishak Institute, 2015):14-17.

44 Thaksin visited India in November 2001, February 2003 and June 2005. Vajpayee visited Thailand in November 2002 and October 2003. Manmohan Singh visited Thailand in July 2004.

45 Vajpayee's Speech to India and Thailand Chambers of Commerce and Industry, 10 October 2003, mea.gov.in/Speeches-Statements.htm?dtl/5374/Address_by_the_Prime_Minister_Shri_Atal_Bihari_Vajpayee_at_Business_Meeting_...

country outside South Asia with which India signed a bilateral FTA framework.[46] The two sides also agreed on an Early Harvest Scheme (EHS), giving tariff-free entry to 84 items, to kickstart the process.

New Delhi and Bangkok tried to create institutional mechanisms to develop and exploit economic complementarities. The information technology (IT) sector received most attention because, in the words of Vajpayee, "India's software skills can usefully support the rapidly developing hardware capabilities of Thailand".[47] Thaksin took a personal interest in this field and even appointed Narayan Murthy, founder of the Indian technology giant Infosys, to his IT Council.[48] India and Thailand agreed to set up an IT task force to cooperate on start-up incubation, product development, trade and market development. They agreed to explore opportunities in third-country markets together and establish joint IT talent incubators.[49]

The two also sought to develop cooperation in the space sector, an area of keen interest for Thaksin because of his business history. The Indian Space Research Organisation used to lease transponders from Shinawatra Satellite PLC to maintain communication with its missions.[50] India and Thailand signed an agreement in 2002 allowing for the exchange of data and training, joint space projects and the sharing of launch vehicles.[51] Tourism was considered another avenue of cooperation. India felt it could learn from the Thai success. The two sides explored the possibility of combined India-Thailand tourism packages.

Indian businesses expanded their footprint in Thailand. The Indian conglomerate Tata bought Millennium Steel, the largest Thai steel company, in 2005. It also established an auto assembly plant to assemble pickup trucks for local consumption and exports, taking advantage of the EHS.[52]

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46 Singapore beat Thailand by six months. India-ASEAN multilateral FTA Framework was signed a day before India-Thailand FTA Framework.

47 Vajpayee's Speech to India and Thailand Chambers of Commerce and Industry, 10 October 2003, mea.gov.in/Speeches-Statements.htm?dtl/5374/Address_by_the_Prime_Minister_Shri_Atal_Bihari_Vajpayee_at_Business_Meeting_...

48 "Narayan Murthy to advise Thailand on IT issues", *The Times of India*, 5 March 2003.

49 MoU between India and Thailand on the Collaboration on Information Technology and Services, 28 November 2001.

50 "Thaksin revisits scene of uneven business gain", *Bangkok Post,* 1 February 2002.

51 Agreement between India and Thailand on Cooperation in the Exploration and Use of Outer Space for Peaceful Purposes, 1 February 2002.

52 Rajarshi Roy, "Tata Motors plans assembly of pick-up trucks in Thailand", *The Times of India*, 19 November 2003.

The second pillar of the new agenda was connectivity. In 2003, New Delhi, Bangkok and Naypyidaw agreed to build a trilateral highway connecting Northeast India to Thailand via Myanmar (IMT trilateral highway). It became one of India's most important international connectivity projects because a land route to Thailand could connect South Asia to the entire mainland Southeast Asia. India and Thailand agreed to offer loans and infrastructural support to Myanmar to assist it in building its part of the highway. As a demonstration of the connectivity potential, an India-ASEAN motor car rally drove in 2004 from Northeast India across mainland Southeast Asia via Myanmar and Thailand.

Defence cooperation became the third pillar, marking a significant landmark in the evolution of the bilateral ties from the 1980s, when Thailand viewed India with apprehension. The relationship was built on the shared challenges of insurgency and terrorism. Security agencies of the two countries established a committee to exchange terrorism-related information, a major win for New Delhi, which had long worried about anti-India terror groups using Thailand as a base. A counter-terrorism exercise between the Indian and Thai armies was instituted. Navies of the two nations agreed in 2003 to start coordinated patrols (CORPATs) of their shared maritime boundary to combat narcotics smuggling and piracy. India also trained Thai pilots on Sea Harriers to operate carrier aircrafts.[53]

Multilateralism was the final pillar of the new agenda. BIMSTEC expanded to include Myanmar in 1997, Nepal and Bhutan in 2004, and assumed a wider mandate. The Mekong-Ganga Cooperation was launched in 2000 with the intent of India and Thailand assisting Cambodia, Laos, Myanmar and Vietnam (CLMV) in their development. Thaksin also brought India into his pet multilateral projects such as the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), aimed at the development of the Mekong subregion, and the Asian Cooperation Dialogue (ACD), a continent-wide political forum.

The early 2000s were a rare time when India and Thailand spent considerable energy and thought to develop an ambitious agenda to draw each other closer together. The Thaksin-Vajpayee agenda

53 G V C Naidu, "Whither the look east policy: India and Southeast Asia", *Strategic Analysis,* 28 no. 2 (2004).

of bilateral cooperation was multi-dimensional. It was based on Thailand-India FTA, IMT trilateral highway, naval CORPAT, counter-terror cooperation, BIMSTEC and other multilateral initiatives, and mechanisms to build complementarities in IT, space, tourism and other fields. Lifted up by a clear sense of direction, intimate political understanding and goodwill carrying over from the early 1990s, Thailand-India relations were poised to take off.

Momentum Derailed (2006-2011)

The year 2006 proved to be a watershed year for Thailand-India relations. The challenges that surfaced at the time continue to plague the relationship to this day. The September military coup in Bangkok against Thaksin threw Thai foreign policy into disarray. New Delhi reacted to the instability in Thailand by drawing back. The two countries saw no significant diplomatic visits or engagements for nearly six months after the coup. Although elections were held the following year, Thai politics remained engulfed in crisis. Thai foreign policy lost some of its dynamism due to constant disruptions and uncertainty. Since Bangkok was often the one to take the initiative in the Thai-Indian relationship since the 1990s, its domestic distractions had a disproportionate effect on the bilateral ties.

The ties also lost some momentum as the FTA negotiations, a pivotal project in the bilateral agenda, ran aground (see Box 1). The stalled trade talks were indicative of deeper problems in the Thai-Indian economic relationship. The shared economic vision conceived in the early 2000s was premised on three propositions: Thai access to the Indian market, Indian exports using Thailand as a gateway to Southeast Asia, and Thai businesses using India as a manufacturing base to leverage its high-skilled, low-cost labour and resources. New Delhi felt that Thailand neither became a gateway to the region for Indian goods nor a significant source of investments into India. Bangkok felt that India never lowered its protectionist walls enough to let Thai business in. Both sides felt that they were giving more than they got from the economic partnership. This dissatisfaction will remain a basic but unarticulated undercurrent in the bilateral relationship in the coming decades.

The Thailand-India relationship was losing its verve at a time when New Delhi's foreign policy was also distracted. In the mid-2000s, much of its attention was soaked up by its emerging strategic

partnership with the US. Even within Southeast Asia, Singapore and Malaysia were stealing a march on Thailand by moving closer to India. Both concluded their respective FTAs with India by 2011. Singapore, in particular, emerged as the most important Southeast Asian partner for New Delhi, serving as a source of investments, a gateway to the region and a champion of India within ASEAN. The success of the India-Singapore relationship cast a shadow over Thailand's position in the Indian 'Look East' policy.

The suspension of democracy in Thailand also affected the relationship at an ideological level. Indian foreign policy adheres to the principle of non-interference. Unlike the US and other Western countries that decried the coup, India maintained cautious silence. New Delhi's official position was that it would deal with Bangkok the same way regardless of the regime. Nevertheless, a slight preference for democracy was detectable in Indian diplomacy. Indian leaders often point to shared democratic values as a key factor binding the two countries. Notably, in the two decades since 2006, almost all major diplomatic successes in India-Thailand relations have come in periods when democratic governments were in power in Bangkok.

Box 1: The Ill-Fated India-Thailand FTA Negotiations

The early 2000s ushered in a new era of trade liberalisation in East Asia. Thaksin, a staunch adherent of globalisation, pursued several bilateral FTAs, most notably with the US, China and India. New Delhi also became open to FTAs at the time. It did not want to be left out of the new round of regional integration, as it had been after the 1997 crisis. It commenced negotiations with Thailand, Singapore, Malaysia, Japan, South Korea and ASEAN.

Thaksin mooted the idea of an FTA during his visit to India in 2001. On 9 October 2003, the two countries signed an FTA framework. The framework called for the conclusion of negotiations on goods by 2005, and investments and services by 2006. It also included an EHS giving tariff-free access to 84 items (later increased to 85). Notably, the EHS contained a clause allowing either country to suspend the scheme if a surge of imports were to cause "serious injury to the domestic producers".

Domestic opposition to the EHS and the FTA emerged quickly in India. Four common complaints were inverted tariff structure, fears of third-country dumping, relocation of production by multinational

corporations (MNCs) and a widening trade deficit. The industry complained that the government removed tariffs from some products under the EHS but retained tariffs on their input materials, thus putting the Indian manufacturers at a disadvantage. For instance, electronics manufacturers bemoaned that the EHS brought down tariffs on colour televisions and colour picture tubes from Thailand to zero but inputs like glass parts still faced high tariffs.[54]

Critics of the FTA warned against third countries using Thailand as a transhipment point to dump their goods in India. Fears were expressed not just of Chinese goods but also electronics and auto parts from Japan and South Korea, and vegetable oil from Malaysia and Indonesia.[55] Consequently, the Rules of Origin became a major point of contention during the negotiations. Some of these fears were to become moot eventually with the conclusion of FTAs with Japan, Korea and ASEAN.

There were also concerns that the EHS would enable the MNCs to move their production from India to Thailand. Indeed, the Japanese MNCs in particular welcomed ASEAN+1 FTAs because they could now use Southeast Asia as a base to enter other major markets. Many East Asian and Indian MNCs restructured their production after the EHS. Some chose outright relocation of manufacturing out of India, such as Sony with its television production, while others developed complex supply chains involving both India and Thailand, such as Toyota, which began sourcing some models of vehicles from Thailand for the Indian market and exported gearboxes from India to Thailand.[56]

The trade deficit became a major sticking point. Within a year of the EHS going into effect, trade in the 84 tariff-free items doubled, almost all in Thailand's favour.[57] A 2005 study by the Federation of Indian Chambers of Commerce and Industry noted that the volume of Thai exports of items under the EHS list was growing at a much faster rate than Indian exports.[58] In 2005, the overall trade balance

54 "Free trade pact to hit local electronics firms", *Hindustan Times,* 26 November 2003.

55 "Breaking down barriers: India to join list of FTA partners", *Bangkok Post*, 29 July 2004.

56 Smitha Francis, "A Sectoral Impact Analysis of the ASEAN-India Free Trade Agreement *Economic and Political Weekly,* 46 no. 2 (2011); and Nagesh Kumar, "Regional Economic Integration, Foreign Direct Investment and Efficiency-Seeking Industrial Restructuring in Asia: The Case of India", RIS Discussion Paper 123, Research and Information Systems, New Delhi.

57 "Indian business groups wary of Thai FTA", *Bangkok Post*, 21 October 2006

58 Dinesh Sharma, "Thai-Indian FTA: Indian industry raises alarm over imports", *Bangkok Post*, 25 July 2005.

tilted towards Thailand for the first time since 1988. Thereafter, Thailand has continued to maintain a trade surplus over India.

The Thai industry had its own concerns. The Federation of Thai Industries cautioned the government not to open its petrochemical sector to Indian companies. It also opposed opening the Thai labour market to Indian workers.[59] However, concerns over the FTA in Thailand were muted compared to India. The Thai government supported a wider FTA than the Indian government. At one point, Thai negotiators asked for tariff cuts on 5,500 items while India offered concessions on only about 2,800 items.

Throughout the mid-2000s, the two sides kept promising that the final agreement on goods trade was just around the corner. Even the coup in Thailand stalled the negotiations only temporarily. The military government, which hoped to use foreign policy wins to shore up domestic support, was aggressive in pursuing the agreement.[60] However, Indian negotiators dragged their feet.[61] In early 2008, India proposed revising some tariff lines which had already been agreed upon.[62] The 2008 Global Financial Crisis put the negotiations in deep freeze. It appears that negotiations over FTA in investments and services never even began. The FTA continued to be mentioned in bilateral statements until the early 2010s. Finally, in 2017, India communicated to Thailand that it was no longer interested in the trade agreement.[63]

The EHS is a relatively minor trade agreement. In 2021, only 6.22 per cent of Thai exports to India and 0.06 per cent of Indian exports to Thailand utilised it.[64] Yet, it became a lightning rod for anti-FTA sentiments in India. It likely suffered for being first and thus absorbed a disproportionate amount of opposition. The FTA negotiations that India started after it – Malaysia, Japan, Korea and ASEAN also faced similar criticisms and contentious haggling but managed to cross the finish line. In any case, the failure of FTA negotiations left a scar on Thailand-India relations.

59 "Massive India has massive appeal", *The Nation,* 4 September 2004; and "Business worried about India FTA", *The Nation,* 15 December 2012.
60 "In search of common ground", *Bangkok Post*, 8 September 2007.
61 "Delhi shifts aim to bigger ball", *Bangkok Post*, 1 December 2007.
62 "Thailand-India Negotiations: Delhi's revisions will stall progress of FTA", *Bangkok Post*, 8 February 2008.
63 "India strategic alliance agreed", *Bangkok Post,* 25 February 2017.
64 Juthathip Jongwanich, "Free Trade Agreements (FTAs) and Export Structures in Thailand", Discussion Paper No. 75, 30 May 2022, Faculty of Economics, Thammasat University.

Stalled Relationship (2011-2026)

It was not until the early 2010s that New Delhi and Bangkok started making serious efforts to bring the relationship back on track. Thailand's Prime Minister Abhisit Vejjajiva's visit to India in 2011 resulted in a clutch of agreements on defence and security cooperation. The ties received a shot in the arm after Yingluck Shinawatra, Thaksin's sister, took office in August 2011. In the 34 months that she was in office, India and Thailand exchanged three prime ministerial visits. In 2012, Yingluck became the first Thai leader to be the Chief Guest at India's Republic Day celebrations. "You are a source of inspiration for all freedom-loving people", Singh said while holding up Yingluck as a symbol of democracy. "You represent the new dynamic face of Asia, and Asia is fortunate to have a democrat and leader like you".[65]

The flurry of diplomatic activity resulted in two major accomplishments. India and Thailand signed an extradition treaty in 2012 after two decades of negotiations. They also established a bilateral defence dialogue to discuss possibilities of military cooperation and arms sales. Several minor agreements of cooperation were finalised in the field of culture, science and education, serving as signals that the two governments wished to move closer.

The new surge of momentum in the ties was too nascent when it was threatened once again by the 2014 coup in Thailand. Unlike the 2006 coup, this time the military government held onto power for the long term. Thai foreign policy under General Prayut Chan-o-cha underwent a significant transformation. It became more security-oriented, putting at the forefront Prayut's plan to raise defence spending to two per cent of the GDP and modernise the military. The Thai-US alliance frayed as Washington put pressure on the military regime to restore democracy. As a reaction, Bangkok moved closer to Beijing, ramping up its purchase of Chinese arms and deepening the economic relationship.

65 "Banquet Speech by PM during State Visit of Prime Minister of Thailand", 25 January 2012, New Delhi, https://www.mea.gov.in/speeches-statements?dtl/18259/Banquet_Speech_by_PM_during_State_Visit_of_Prime_Minister_of_Thailand. Accessed on 25 July 2026.

Unlike 2006, diplomatic engagement between India and Thailand continued uninterrupted after the coup in May 2014. Thai Chief of Defence Forces General Thanasak Patimaprakorn visited India within a month of the military takeover, and Prayut met Prime Minister Narendra Modi in November 2014. The relationship assumed a greater security focus. Visits of military leaders became more common. The two countries started holding regular service-level staff talks between their respective air forces, armies and navies. New joint exercises were initiated, such as Chakra, a counter-terrorism training exercise, and Siam Bharat, an air force exercise. In 2016, India joined as an observer of Cobra Gold, the biggest multilateral exercise in Southeast Asia, organised by Thailand and the US. Catering to Prayut's focus on defence technology transfers, India offered to explore joint defence manufacturing.[66]

However, despite the high volume of diplomatic activity, the relationship remained stalled. Prayut visited India only once in his nine years in power. Modi visited Thailand twice during this period – a brief visit in 2016 to attend the funeral of the King of Thailand and to attend the ASEAN Summit in 2019. The two countries did not reach any major agreements during this period. Prayut's 2016 visit concluded with only two minor agreements and, unusually, a list of 12 agreements that the two countries promised to start negotiating (most of them have still not been signed).[67] Prayut's attempt to revive the India-Thailand FTA talks did not meet with any success. Neither side showed much interest in each other's flagship economic projects, that is, Modi's policy to shore up manufacturing through 'Make in India' and Prayut's attempt to technologically advance the economy through 'Thailand 4.0'.

The drift in Thailand-India relations under Prayut was remarkable when contrasted with Thailand's relations with other Asian powers. As a consequence of deteriorating Thai-US relations, Bangkok turned to countries that tended to take an agnostic view on Thailand's democracy. Along with developing closer ties with China, it also reached out to other regional actors, including Japan, South Korea and Russia. Tokyo revitalised its ties with Bangkok during Prayut's administration by concluding a major defence technology transfer

66 "Thailand, India to pursue joint defense manufacturing", *Bangkok Post*, 30 June 2015.
67 India-Thailand Joint Statement, 17 June 2016, New Delhi.

deal and offering support for 'Thailand 4.0'. Seoul started supplying frigates and advanced trainer jets to Thailand. Moscow also used the period to expand its defence ties with Thailand.[68]

The stall in Thai-Indian relations was caused by a combination of factors. On the economic front, the FTA remained in cold storage. India's decision to walk out of the Regional Comprehensive Economic Partnership (RCEP) at the last moment delivered a further setback to the relationship. Thai diplomats, who had made extensive efforts to persuade New Delhi to stay in the RCEP feel resentful to this day. Although defence deals were a key vehicle of Prayut's foreign policy, India and Thailand failed to agree on any major arms purchases. The Thai military found Indian defence wares lacking when compared to those offered by China, Japan or Korea. Thai-Indian ties also suffered from the want of a geopolitical driver. Whereas Beijing was seeking to undermine American influence in Bangkok and Tokyo tried to balance Beijing's influence, New Delhi had no similar geopolitical agenda that would lend its policy any urgency.

The late 2010s witnessed the exacerbation of all the fundamental problems of Thailand-India relations that had surfaced after the 2006 coup. The Vajpayee-Thaksin agenda was exhausted with FTA negotiations stuck, IMT trilateral highway interminably delayed and BIMSTEC adrift. The basic economic vision of Thailand-India economic cooperation remained incomplete: Thailand felt it did not have adequate access to the Indian market, and India felt disappointed at the lack of Thai investments. Other ASEAN member countries, particularly Singapore, continued to overshadow Thailand's position in Indian thinking. Finally, despite its protestations to the contrary, the Indian system continued to harbour a deep-seated preference for democracy.

It must be noted that while government-to-government ties remained stalled, other aspects of the relationship continued to grow at a rapid clip. India-Thailand trade has been growing steadily for the last two decades, reaching US$21 billion (S$26.9 billion) in 2025.

68 Ian Storey, "Russia's Defense Diplomacy in Southeast Asia", *ISEAS Perspective* no. 33 (2021).

Today, an estimated 250,000 Indian nationals live and work in Thailand. In 2025, 2.49 million Indian tourists visited Thailand.[69]

The return of civilian government in Thailand in 2023 promised to inject new dynamism in Thai-Indian ties. Modi visited Bangkok in 2025 to meet Prime Minister Paetongtarn Shinawatra. The two announced a 'Strategic Partnership' between India and Thailand, along with a handful of other agreements. The Joint Declaration of the Strategic Partnership attempted to chart out a new agenda for the bilateral relationship, which would include a shared commitment to a free and rules-based Indo-Pacific, economic cooperation based on supply chain integration, and closer cooperation between Thailand and Northeast India. However, the agenda remains nebulous so far. The two sides have yet to flesh out substantive details of their strategic partnership and articulate the underlying logics of their economic, defence or political cooperation.

In late 2025, Thailand was yet again beset by a brief political crisis that brought Anutin to the prime ministerial office. The conservative Bhumjaithai party now holds an overwhelming majority in the Thai parliament. It remains to be seen whether the new government can take the strategic partnership forward and insert the much-needed dose of energy into the star-crossed relationship between Thailand and India.

69 Bank of Thailand, EC_XT_003_S2 Trade Classified by Country/Economic Territory. Retrieved on 7 July 2026; "Population of Overseas Indians", Ministry of External Affairs, India, https://www.mea.gov.in/population-of-overseas-indians. Accessed on 22 July 2026; and "Thailand eyes 2.55 million Indian visitors as 'Healing' campaign debuts in Mumbai", *The Nation*, 7 February 2026.

Dimensions of Contemporary Thailand-India Relations

Geopolitics

The greatest success of Thailand-India relations on the geopolitical level is strategic reassurance. The two countries have shared tense relations in the past, particularly during the Cambodian conflict in the 1980s. They share a maritime boundary and a volatile neighbourhood. Yet, neither side harbours security concerns about the other. Indian naval dominance over the Bay of Bengal is such that it does not worry over any potential threat emanating from Thailand. Conversely, New Delhi has successfully reassured Bangkok that it does not wish to interfere in Thailand's core security interests, including its domestic politics, southern insurgency and relations with Cambodia and Myanmar.

Defence diplomacy also serves to improve the Thai strategic perception of India. It allows India to signal its commitment to act as a constructive strategic partner to Southeast Asia. Militaries of the two countries regularly work together in bilateral (Chakra, Siam Bharat, Maitree) and multilateral (Milan, Cobra Gold) exercises. They maintain service-level defence dialogues for the three-armed forces.

China is a complicating factor in Thai-Indian strategic relations. New Delhi has been discomfited by Bangkok's growing closeness with Beijing in the last few years. Thailand is the third-largest importer of Chinese weapons after Pakistan and Serbia.[70] However, New Delhi is careful not to confront Beijing in Southeast Asia, since the two neighbours are already engaged in heated rivalries on the Himalayan border, within South Asia and in the Indian Ocean. Consequently, the response to deepening Sino-Thai relations in some Indian policy circles has been to "write off" Thailand as a strategic actor and view it with some degree of suspicion. Whereas growing Chinese influence in Southeast Asia in the 1980s drew India into the region, the response now is to pull back.

70 Mathew George et al, "Trends in International Arms Transfer, 2025", Stockholm International Peace Research Institute, March 2026.

New Delhi has been mildly disappointed by the lack of major defence sales to Thailand. When India looked to become a defence exporter after the Cold War, the 1995 'Defence Asia' Expo in Bangkok was its first stop in the region.[71] It has repeatedly broached the subject with Thailand.[72] In 2015, the two sides even explored the idea of joint defence production.[73] However, no major deals have come through. Most defence sales remain limited to firearms components, ammunition, sub-systems, bulletproof jackets and helmets. A key reason for the lack of sales in the past was that Bangkok was spoiled for choice because of its close relations with China, Japan and the US. The absence of a strong geopolitical rationale for an India-Thailand defence deal was also a factor.

Perennial instability in Myanmar is a shared concern for India and Thailand. Not only does it cause security headaches and economic costs for both countries, but it also acts as a drag on their bilateral relationship. Construction of the IMT trilateral highway has been held up owing to conflict in Myanmar. New Delhi and Bangkok have taken similar approaches to the current civil war: both have lent support to Myanmar's junta and wish to see the country return to the ASEAN fold. Nevertheless, they have not coordinated their policies beyond an intermittent exchange of views. Their lack of policy coordination on Myanmar is partly the result of the ASEAN centrality principle and partly a symptom of their geopolitical aloofness to each other.

During the Cold War, Pakistan and Cambodia were two complicating factors for Thailand-India relations. Bangkok and Islamabad maintained close military ties as SEATO allies. Pakistan used to repair and refit American defence equipment for the Thai Army. New Delhi developed close relations with Cambodia as the Chairman of the International Control Commission in the 1950s and 1960s and especially during the Kampuchean Crisis in the 1980s. However, in the post-Cold War era, both factors gradually receded in salience as Thailand-Pakistan ties and Cambodia-India relations eroded. Today, Bangkok maintains cautious neutrality in India-Pakistan conflicts, and New Delhi does the same in Thailand-Cambodia conflicts.

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71 "India pursues arms sale in S-E Asia", *Hindustan Times,* 21 September 1995.
72 "India, Thailand agree to free 83 items from import taxes", *The Times of India,* 10 October 2003.
73 "Thailand, India to pursue joint defence manufacturing", *Bangkok Post,* 30 June 2015.

Like the rest of Southeast Asia, Thailand also views India as a potential partner for strategic diversification. Thailand's frayed relations with the US and its growing dependence on China have made many in Bangkok uncomfortable. They would like to see more external powers present and engaged in the region to relieve the pressures of Sino-US rivalry. However, it is important to note that India is one of many potential partners available to Bangkok for a diversification strategy, along with Japan, South Korea, Russia, Australia and the European Union. Notably, in the annual *State of Southeast Asia* surveys that capture perception of the region's policy elites, Thai respondents regularly rank India extremely low in strategic relevance to the region.[74]

Economic Relations

Economic factors form the pivot upon which Thailand-India relations turn. Merchandise trade forms the bedrock of the relationship. It has grown slowly but steadily in the 21st century from US$1.5 billion (S$1.9 billion) in 2005 to US$21.8 billion (S$28 billion) in 2025.[75] The overall trade remains relatively modest despite geographic proximity. India's share averages less than three per cent of Thailand's total trade, while Thailand's share is less than 1.5 per cent in India's total trade.

In the last two decades, exports of both countries to each other diversified. Thailand's exports to India declined in their technological content. High technology manufactures or electronics products as a ratio of its total exports to India, were more than 50 per cent in 2000 and less than 20 per cent in 2022.[76] They have been replaced today by gems & jewellery and vegetable oil. This devolution was likely because of fierce competition from China. Contrastingly, the Indian export profile has been remarkably stable: its major exports to Thailand in 2005 were gems & jewellery, marine products, chemicals, non-ferrous metals and petroleum products; today, they are gems & jewellery, marine products, chemicals and vehicles. Gems & jewellery have remained a notable mainstay of the Thailand-India trade,

74 J Lin et al., *The State of Southeast Asia: 2026 Survey Report* (Singapore: ISEAS-Yusof Ishak Institute, 2026).
75 Bank of Thailand, EC_XT_003_S2 Trade Classified by Country/Economic Territory. Retrieved on 7 July 2026.
76 Ibid.

maintaining a high volume since the 1980s. Today, they are one of the top exports from both sides, suggesting the existence of a large-scale supply chain with products circulating between the two.

Box 2: Trade Trajectories[77]

The uneven trajectory of the bilateral trade over the last four decades is revealing. Thai-Indian trade grew rapidly in the late 1980s, reaching US$1 billion (S$1.27 billion) in 1991. The 1990s were a lost decade. Growth remained flat until 2002, mostly because the trading basket was so concentrated that disruption of trade in any category carried a large impact on the overall figure.[78] The bilateral trade soared between 2003 and 2012 at an average rate of 25 per cent per annum, buoyed by solid economic growth in both of countries. It slowed down to an annual rate of 5.5 per cent during 2013-2019 as Thailand faced economic downturn, even though the Indian economy continued to remain relatively healthy. In the post-COVID-19 era, Thailand's recovery has been weak while India has rebounded. The bilateral trade grew at an annual rate of 10 per cent between 2022 and 2025.

A comparison with China is instructive. In 1991, the Thai-Chinese trade (US$1.48 billion [S$1.88 billion]) stood within spitting distance of the Thai-Indian trade (US$1 billion [S$1.27 billion]). In the next decade, it grew at an astonishing pace, reaching US$8.4 billion (S$10.71 billion) in 2002. Thereafter, it followed a growth pattern remarkably similar to Thai-Indian trade: it rose fast in the 2000s, slowed down during the 2010s and grew at an uneven pace after COVID-19. The average 2003-2025 annual growth rate for Sino-Thai trade (14.1 per cent) is comparable to that of Indian-Thai trade (15.2 per cent). Yet, Sino-Thai trade today stands at US$147 billion (S$187.54 billion), nearly seven times the size of Indian-Thai trade. The impressive gains that China made in the 1990s have compounded over time to give it an enormous lead over India. It is a reminder that patterns of economic relations develop over the long term and cannot be changed overnight.

77 Author's calculations. Trade data for the 1990s from World Bank, World Integrated Trade Solutions Dataset; data for the 1999 onwards from Bank of Thailand, EC_XT_003_S2 Trade Classified by Country/ Economic Territory. All data retrieved on 22 July 2026.

78 For instance, gems & jewellery trade, a large component of the overall figure, was severely disrupted by Thailand's introduction of Value-Added Tax in 1992. India's emergence as a net rice exporter similarly had an enormous impact on the overall trade numbers.

The two major preferential trading arrangements between India and Thailand are the EHS and the ASEAN-India FTA (AIFTA). The EHS (already discussed in Box 1) covers only 85 items. AIFTA also offers patchy coverage. Under it, Thailand offers India tariff elimination on 78.1 per cent of tariff lines, and India reciprocates with 78.8 per cent. This stands in stark contrast with the other five ASEAN+1 FTAs (with China, Japan, Korea, Australia and New Zealand), in each of which, both sides offer tariff elimination on more than 90 per cent of tariff lines.[79] Utilisation of the preferences is severely imbalanced. In 2021, Thai exporters used the EHS for 6.22 per cent and AIFTA for 50.35 per cent of all exports to India. In comparison, Indian exporters used the EHS for 0.06 per cent and AIFTA for 12.74 per cent of all exports to Thailand. This imbalance likely contributes to the widening trade deficit between the two countries.[80]

Thailand's persistent merchandise trade surplus with India since 2005 has been a source of friction. The surplus started growing at a faster clip since COVID-19, nearly quintupling in the last five years.[81] Thailand's trade intensity towards India remains higher than India's trade intensity towards Thailand, which hovers around one.[82] This is to say that Thai exports to India overperform relative to India's global trade, while Indian exports to Thailand perform as expected given Thailand's importance to world trade.

India has responded to the trade imbalance in two ways: sinking the Thailand-India FTA (see discussion in Box 1) and turning more protectionist. It has raised tariff walls in key sectors to protect its industries, although the result has been mixed. One 2025 study by the Exim Bank of India examines the textile sector, where the country faces stiff competition from Southeast Asia. Between 2009 and 2022, India raised all textile-related tariff lines from a 10-15 per cent range to above 20 per cent. On the other hand, Thailand brought down more than half the lines to the zero-tariff range. The study concludes that Indian exporters have not been able to tap the Thai textile

79 Yoshifumi Fukunaga and Ikumo Isono, "Taking ASEAN+1 FTAs towards the RCEP: A Mapping Study", ERIA Discussion Paper, Economic Research Institute for ASEAN and East Asia, 2013.
80 Jongwanich, "Free Trade Agreements", op. cit.
81 India-Thailand trade deficit has grown from US$ 1.2 billion in 2020 to US$ 6 billion in 2025
82 Ha Le Huyen et al, "Thailand and India Bilateral Trade: An Assessment", *Millennial Asia,* 2025.

market despite the tariff concessions, maintaining a share of just 3.5 per cent.[83]

Other aspects of the bilateral economic ties have shown moderate growth. FDI flows between the two are relatively small, as is to be expected from investment-hungry economies. The Reserve Bank of India reports US$1.6 billion (S$2 billion) FDI equity stock from Thailand. The Bank of Thailand states US$1.1 billion (S$1.4 billion) net FDI from India.[84]

Thailand-India services trade rose from US$822 million (S$1.05 billion) in 2005 to US$5.14 billion (S$6.6 billion) in 2022. The trade was largely balanced in the 2010s. It has shifted slightly in India's favour since 2020. Tourism makes up the bulk of Thai services exports to India, whereas Indian exports are mostly a combination of computer, consulting, professional and technical services.[85]

Two major areas of growth are tourism and labour export. Indian tourists to Thailand surged from 800,000 in 2010 to 2.49 million in 2025.[86] India now ranks as the third-largest source of visitors to Thailand. The number of Thai tourists to India, mostly following the Buddhist pilgrimage circuit, rose from 89,000 in 2010 to 140,000 in 2024.[87] Indian migrant workers in Thailand have grown in the last decade from 20,000 in 2015 to 250,000 in 2026, according to estimates by the Indian Ministry of External Affairs.[88] It is unclear how this population is distributed between low-skilled and high-skilled workers.

Connectivity

Despite their geographical proximity, connectivity between India and Thailand remains suboptimal owing to two factors. First, the two

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83 "Textile and Allied Products Trade Under ASEAN-India Trade in Goods Agreement: Value Chain Analysis", Occasional Paper No. 229, Export-Import Bank of India, 2025

84 Department of Promotion of Industry and Internal Trade, Fact Sheet on Foreign Direct Investment Inflow from April 2000 to June 2025; Bank of Thailand, EC_XT_081 Foreign Direct Investment (Netflow) Classified by Country/Economic Territory. All data retrieved on 25 July 2026.

85 Balanced Trade in Services, OECD Dataset. Accessed on 7 July 2026.

86 "Thai-Indian Trade expected to double", *Bangkok Post*, 24 January 2012; "Thailand eyes 2.55 million Indian visitors as 'Healing' campaign debuts in Mumbai", *The Nation*, 7 February 2026.

87 "Foreign tourists' arrivals and Indian visiting abroad", Press Information Bureau, 7 August 2025, https://www.pib.gov.in/PressReleasePage.aspx?PRID=2153606&reg=48&lang=2. Accessed on 7 July 2026.

88 "Population of Overseas Indians", Ministry of External Affairs, India, https://www.mea.gov.in/population-of-overseas-indians. Accessed on 22 July 2026.

countries are not connected by a land route. Second, Thailand has no major ports on the Andaman Sea. All its main ports face east to the Gulf of Thailand. This has been the state of affairs since Siam lost control of the Tenasserim coast in the 18th century. Consequently, cargo from India takes 15 days to reach Thailand, traversing through the Strait of Malacca and Singapore to reach ports on the Thai eastern seaboard.[89]

The IMT trilateral highway, launched in 2003, remains the most important connectivity project between the two countries. It aims to connect Northeast India to western Thailand through a highway running across Myanmar. Plans have been developed to extend the highway further to Cambodia, Laos and Vietnam.[90] India and Thailand provided aid to Myanmar to develop different sections of the highway. Political instability in Myanmar has severely delayed the project. A study by the Asian Development Bank conducted before the outbreak of the latest civil war in the country found that the stretch from Tamu on the India-Myanmar border to Mandalay required upgradation, as well as the stretch from Naypyitaw to Taunggoo. With no end in sight to the civil war, the future of the highway remains uncertain.[91]

Another project of relevance to Thailand-India connectivity is the Southern Land Bridge scheme, which aims to connect the Gulf of Thailand to the Andaman Sea. Thailand plans to develop deep-sea ports at Ranong on the east coast and Chumphon on the west coast and connect them through a 90-kilometre highway and railway link. The bridge will provide an alternative to the Malacca Strait. The project faces significant domestic opposition as well as geopolitical complications. Bangkok worries that an alternative to the Malacca Strait may draw unwanted security interest from Washington, Beijing, New Delhi and other Southeast Asian countries. Nevertheless, it remains committed to the project as of now.[92]

89 "Trade deal set to open new era for ASEAN, India", *The Nation*, 20 December 2012.
90 "The India-Myanmar-Thailand Trilateral Highway and Its Possible Eastward Extension to Lao PDR, Cambodia, and Viet Nam: Challenges and Opportunities", ERIA Research Project Report FY2020 no.02a, ERIA, Jakarta, 2020.
91 Ibid.
92 Eugene Mark, "Thailand's Land Bridge: Navigating Geopolitical and Investor Concerns", *ISEAS Perspective* no. 13 (2025).

The idea of the land bridge has been discussed since the 1980s (originally proposed to run from Songkhla to Satun).[93] Thai leaders have tried to interest India in the project for just as long. Chatichai raised the prospect of the bridge during his visit to India in 1989. So did Thaksin in 2003.[94] New Delhi has so far shown little interest in the project. It would rather invest in its own ports. Additionally, Indian security concerns may be provoked if China were to invest in the project.

The perennial understudy to the land bridge project is the proposal to cut a canal across the Kra Isthmus to link the Gulf of Thailand and the Andaman Sea. The Kra Canal idea has been mooted since the 17th century. The British briefly considered it in the 19th century to boost the India-China trade. However, by the early 20th century, they came to see it as a threat to Indian security.[95] In fact, after the Second World War, Britain and India compelled Thailand to sign a tripartite treaty with a commitment not to build the canal without their approval (the treaty was abrogated in the early 1950s).[96] Although the canal proposal has surfaced frequently since then, Thailand has no appetite for the financially exorbitant and geopolitically sensitive project.[97]

In 2008, Thailand began developing the Dawei port in Myanmar along with a Special Economic Zone. The project aimed to provide a shorter route to Chennai and Kolkata. However, construction delays and a lack of investment led Myanmar to cancel the contract. Russia has now taken over the project.

India's development of its ports under the Sagarmala project promises to improve maritime connectivity with Southeast Asia, including Thailand. The port under construction at the Great Nicobar island would be of particular relevance to Thailand as it is located just 324 nautical miles from the Ranong port.

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93 Somrat Chulikpongse, "The alternative shorter routes via Isthmus of Kra: The Land Bridge Approach", MA Thesis, University of Tasmania, June 1985.

94 "Indo-Thai hopes on Kampuchea soar", *The Times of India*, 1 April 1989; and "Thai PM proposes new bridge to Andaman Sea", *The Times of India*, 15 October 2003.

95 V G Kiernan, "The Kra Canal Projects of 1882-5: Anglo-French Rivalry in Siam and Malay", *History* 41 no. 141/143 (1956).

96 "Proposals for Revision of Siamese Treaty", 267-FEA/47 Vol I, 1947, Ministry of External Affairs, National Archives of India, New Delhi.

97 Ian Storey, "India's obsession with Thailand's Kra Canal and China's 'failure'", *Think China*, 9 September 2020.

Non-Traditional Security Challenges

Security issues have long been a feature of India-Thailand relations. In the colonial era, many anti-colonial revolutionaries from India sought refuge in Siam, one of the few territories in the region outside British jurisdiction. In recent decades, insurgents, gangsters and scammers have become the primary security concerns.

Insurgents from Northeast India, particularly Nagaland, have used northern Thailand as a hideout due to its proximity to the Indian border. National Socialist Council of Nagaland leader Thuingaleng Muivah was arrested in Bangkok in 2000. Militant groups from Nagaland, Assam and Sri Lanka purchased weapons in Thailand or through Thai intermediaries.[98] A Thai citizen of Nagaland origin was extradited to India in 2015 for brokering arms deals for the militants.[99] Indian intelligence continues to track suspected insurgents in Thailand today.

Indian criminals, especially members of the Mumbai underworld, have also found sanctuary in Thailand. Reportedly, Mumbai gangsters chose Bangkok as a preferred base of operations in the 1990s after reconnoitring several other countries in South and Southeast Asia.[100] The infamous gang leader, Chotta Rajan, was injured in a shootout in Bangkok in September 2000. India's inability to extradite him before his escape caused a major political firestorm in New Delhi. Thailand was similarly unable to extradite the French killer Charles Sobhraj before he escaped from an Indian prison in 1986.

New Delhi and Bangkok started negotiating an extradition treaty in 1993.[101] The treaty was finally signed in 2012. However, the issue remains fraught. In 2019, a Thai Appellate Court released a convict to Pakistan, who India claimed was the gangster Munna Jhingada (Mudassar Hussain), ending a three-year legal battle for extradition.[102]

Over the years, the two countries have developed some cooperation mechanisms to contend with non-traditional security issues such

98 Sreeradha Datta, "Security of India's northeast: External linkages", *Strategic Analysis,* 24 no. 8 (2000).
99 "Arms dealer to be extradited to India", *The Nation,* 5 November 2015.
100 S Hussain Zaidi, *Dongri to Dubai: Six Decades of the Mumbai Mafia* (New Delhi: Lotus, 2012).
101 "Extradition Pact with Thailand", Unstarred Question No 2855, Lok Sabha Debates, India, 9 August 2000.
102 "Extradition of convict to Pakistan 'casts shadow' over India-Thailand ties", *The Nation*, 10 October 2019.

as terrorism, piracy, narcotics smuggling, arms trafficking and illegal fishing. They began exchanging terrorism-related intelligence in 2003 and instituted regular coordinated naval patrols from 2005. India joined the Mekong memorandum of understanding on drug control, a multilateral initiative involving Cambodia, China, Laos, Myanmar and Thailand in 2016. The Thai government encourages Muslim youth from Southern Thailand to study in India rather than in Islamic countries to avoid radicalisation.

In the last few years, scam centres have emerged as a major security challenge. The centres operate in the border areas of Myanmar, Cambodia and Laos, while Thailand sits at the crossroads of a transnational human trafficking network supplying forced labour to work as scammers. At least 6,700 abducted Indians have been rescued from the centres.[103] India and Thailand, along with other Southeast Asian countries and China, need to step up their efforts to combat this challenge.

Cultural Images

Indian elites have been endlessly fascinated by the transmission of Indian (especially Brahmanical, Sanskritised) culture to Thailand during the ancient and medieval eras. It is natural for a nation to be enthralled by seeing itself reflected in another nation. The presence of its cultural influence in Thailand reinforces India's self-image as a civilisational state.

Interestingly, the Indian discourse highlights the peaceful nature of its historical contact with Thailand and downplays any military element. This tendency is rooted in the country's anti-colonial attitudes and need to distinguish India's "spiritual colonisation" of Southeast Asia from the West's violent colonialism.

Over centuries, Thai culture has transformed the Hindu elements it borrowed from the subcontinent into something wholly indigenous. Nevertheless, a common belief among Indians is that the Hindu culture in Thailand is more pristine than it is back home. This

103 "Over 6,700 Indians, Lured By Scam Centres, Rescued From Cambodia, Myanmar", *NDTV,* 11 December 2025. https://www.ndtv.com/india-news/over-6-700-indians-lured-by-scam-centres-rescued-from-cambodia-myanmar-9794001.

sentiment is captured in the verses of Tagore written after his visit to Bangkok in 1927:

> "I come, a pilgrim, at thy gate, O Siam,
> to offer my verse to the endless glory of India
> sheltered in thy home, away from her own deserted shrine."[104]

New Delhi's support for Indian studies in Thailand dates back to 1952 when it instituted a short-lived programme to send historians to the country to deliver lectures on ancient Thai-Indian connections. Thailand started investing in cultural outreach to India with its construction of Wat Thai Buddhagaya at Bodh Gaya, Bihar, in the 1960s. The two nations signed their first bilateral cultural exchange agreement in 1973. For the last few decades, visits by Indian prime ministers to Thailand have almost always included some new scholarship programmes, research grants or funding for academic resources to highlight the historical cultural connections between the two countries.

Both New Delhi and Bangkok lean on their cultural heritage to earn diplomatic goodwill. India has sent sacred Buddhist relics to Thailand for public exhibitions. During Modi's 2025 visit to Thailand, the Thai government organised a traditional Thai *Ramayan* performance and released a stamp based on *Ramayan*. However, it remains an open question whether such gestures yield any actual diplomatic dividends or soft power gains.

The Thai monarchy carries great diplomatic significance in Thailand. Royal imprint on bilateral relations gives them additional weight. Princess Maha Chakri Sirindhorn, sister to the current King, has played an important role in promoting Thai-Indian ties. A trained Sanskrit scholar, she has visited India regularly since the late 1980s. No Thai King has visited India since King Chulalongkorn's visit in 1872. Unlike China, Taiwan, Israel and the US, India does not provide financial and technical support to royally-sponsored development projects, which are often seen as a means to earn royal goodwill.

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104 Sawitree Charoenpong, "Rabindranath Tagore in Thailand: His Visit, Impact and Legacy", in Lipi Ghosh (ed.), *Rabindranath Tagore in South-East Asia: Culture, Connectivity and Bridge Making* (Primus Books, 2016).

Some negative stereotypes of Indians percolate in the Thai society, although the attitudes have changed in recent years with increased people-to-people contact. No engagement has shaped Indian and Thai mutual perceptions more than tourism. Films, one of India's most important cultural exports to the world, remain of niche interest in Thailand.

Multilateral Cooperation

The Thailand-India relationship has played an important role in the history of regional multilateralism. Although the two countries focused on different international organisations during the Cold War, convergence began immediately thereafter. In the early 1990s, Thailand joined the NAM, and India proposed to join the Asia-Pacific Economic Cooperation forum. For the next decade and a half, a wave of innovative multilateral initiatives emerged from their partnership.

At the peak of the Thai boom, Bangkok sought to use multilateralism to gain access to the Indian economy. As we have discussed, Thailand proposed the creation of a multilateral FTA between Bangladesh, India, Sri Lanka and Thailand that eventually evolved to become BIMSTEC. Thailand also championed India's elevation to ASEAN Dialogue Partner. It briefly flirted with the idea of a regional airline focused on South Asia to improve connectivity. India became a member of the 'core group' of the ACD and a partner in the ACMECS – both initiatives launched by Thailand.

The MGC was established in 2000 as a novel framework for India and Thailand to work together to assist the development of the CLMV countries. The framework focused on technical cooperation in the fields of tourism, education, culture and transportation. Notably, India was the first external actor to engage with the Mekong subregion in such institutional fashion, preceding similar initiatives by the US (2009), Japan (2009), South Korea (2011) and China (2016).[105]

Thailand-India cooperation on the multilateral front has dimmed in the last two decades. Bangkok drove many multilateral initiatives

105 The US launched Lower Mekong Initiative in 2009 which has since evolved into Mekong-US Partnership. Annual Mekong-Japan Summits were instituted in 2009. In 2011, the Han River Declaration laid the foundation of ROK-Mekong Comprehensive Partnership. Lancang-Mekong Cooperation was launched by China in 2016.

in the 1990s and 2000s. However, the persistent political instability since 2006 sapped the country's enthusiasm for international leadership.[106] Within ASEAN, other members took the lead in shaping the Association's engagement with India. Projects such as the ACD and the ACMECS fell into abeyance. The MGC did as well, and India's intermittent efforts to resuscitate it have been unsuccessful so far.

BIMSTEC, the most important multilateral institution to come out of the Thailand-India partnership, is yet to realise its promise. Although originally conceived as a multinational trading arrangement, it quickly expanded in scope and size. India promoted the organisation as an alternative to the South Asian Association for Regional Cooperation (SAARC) but without Pakistan. Consequently, BIMSTEC transformed from a targeted economic vehicle to an all-purpose regional organisation with a mandate ranging from terrorism to health to electricity to culture. This lack of focus severely handicapped it. Thailand's attempts to pare down the organisation's agenda failed. After nearly three decades of existence, BIMSTEC has yet to deliver any concrete outcomes of significance.[107]

106 Pongphisoot Busbarat, "Thailand's Foreign Policy in the Post-Cold War Era: From Potentials to Disarrays", in Takashi Inoguchi (ed.), *The Sage Handbook of Asian Foreign Policy* (London: Sage, 2020) 687-708.

107 Sandeep Bhardwaj, "BIMSTEC: Dysfunctional Regionalism, South Asia Style", *ISAS Insights*, Institute of South Asian Studies, National University of Singapore, 30 April 2025, https://www.isas.nus.edu.sg/papers/bimstec-dysfunctional-regionalism-south-asia-style/.

Need for a New Agenda

The Thaksin-Vajpayee agenda of the early 2000s was the most ambitious attempt in the modern history of the Thailand-India relationship to bring the two countries closer together. After two decades, the agenda has exhausted itself. Some of it has been accomplished, some has run aground. The two countries now need a fresh, comprehensive agenda.

Now is an opportune moment to fashion a new agenda. India's 'Act East' policy, more than a decade old, is in dire need of reinvention. The recent election of Anutin as Thailand's prime minister promises political stability and a proactive foreign policy. The India-Thailand Strategic Partnership, established in 2025, offers the perfect vehicle for New Delhi and Bangkok to jointly explore new ideas. Such exploration would need to address some of the issues discussed below.

The economic relationship would need to be at the heart of the new agenda. For most of the 20th century, the economic logic of the relationship was straightforward: India was among the world's largest rice importers, and rice was Thailand's biggest export. India's achievement of rice self-sufficiency in the early 1990s necessitated the search for a new economic model. The Thaksin-Vajpayee agenda offered a new economic vision in the early 2000s: India would provide market access for Thai business, while Thailand would serve as a gateway to Southeast Asia and a source of investments to India. This vision has fallen short due to the nature of the two economies. Thailand remains dissatisfied with the Indian proclivity for protectionism. The Thai economy, itself investment-hungry, has exported paltry amounts of capital to India. Other countries have overshadowed Thailand as India's 'gateway' to the region.

Clearly, a new economic vision is required. The most promising avenue remains harnessing and fostering trade complementarity. In fact, economic analysis shows that the trade complementarity between the two has substantially increased since 2000. In particular, the match between the Indian export basket and the Thai import

basket has improved dramatically.[108] At this point, India should be the one seeking greater market access to Thailand.

Some observers have recommended that India and Thailand look for a closer partnership on cutting-edge sectors such as semiconductors, electric vehicles and artificial intelligence.[109] However, it may be fruitful to invest diplomatic energies in prosaic sectors such as textiles, hides & skins, gems & jewellery and refined petroleum products, where the two countries share demonstrable complementarities and potential volumes are high.[110] A sophisticated and particularised approach would be necessary to truly harness the complementarities.

An overarching trade agreement may not be politically feasible in the short term but must be considered an important goal for the long term. Even though Thailand was the second country outside South Asia to seriously pursue a bilateral FTA with India, the two have repeatedly failed to reach an agreement, be it the Bangladesh-India-Sri Lanka-Thailand Economic Cooperation in the 1990s, the Thailand-India FTA in the 2000s or the RCEP in the 2010s. These failures weigh too heavily on the bilateral relationship.

New Delhi should build a domestic political constituency for an FTA with Thailand. It can invest in raising the utilisation rate of the EHS and AIFTA by Indian exporters. It can encourage Indian businesses in sectors such as textiles and gems & jewellery to develop integrated supply chains with their Thai counterparts. It can promote voices from the services sector in the discussion, which stand to gain significantly from an FTA. Bangkok can help by agreeing to amend the EHS to include specific items that would reduce the trade deficit.

India is apprehensive that Thailand may be used as a base for the onslaught of Chinese goods, although there is little evidence that this is actually the case. Bangkok can assuage Indian concerns by accommodating it on the Rules of Origin issue. In fact, given that Thai

108 Trade Complementarity Index measured here between 0 and 1 between Indian exports and Thai imports increased from 0.412 in 2000 to 0.722 in 2023. Huyen et al., "Thailand and India", op. cit.

109 Jaibal Naduvath, "India and Thailand: The Compelling Case for a Deeper Compact", Special Report No. 303, Observer Research Foundation, April 2026.

110 "Textile and Allied Products Trade Under ASEAN-India Trade in Goods Agreement: Value Chain Analysis", Occasional Paper No. 229, Export-Import Bank of India, 2025; Huyen et al., "Thailand and India".

manufacturing has been hit hard by the surge of low-priced imports from China, India's insistence on lower Chinese content in Thai products may serve as an advantage for the local Thai firms.[111]

Japan can play an important role in bringing the Indian and Thai economies closer together. Japanese corporations have maintained a large manufacturing presence in both nations for decades. Today, India and Thailand are its second and third most preferred investment destinations in Asia.[112] A trilateral discussion on how to strengthen supply chains between the three countries may pay dividends.

Improving connectivity is an uphill task as the IMT trilateral highway continues to be stymied by political instability in Myanmar. New Delhi is also likely to steer clear of the Southern Land Bridge project, which is a politically charged issue within Thailand. Nevertheless, it is in India's interest to encourage the development of maritime infrastructure on Thailand's western seaboard, which will shorten shipping times between the two countries. Greater maritime activity in the Andaman Sea will also improve the economic viability of India's port project on the Great Nicobar Island.

India and Thailand also need a fresh geostrategic agenda. They urgently need to consider maritime security cooperation. The Andaman Sea has acquired greater strategic importance due to the emerging tensions in the Indian Ocean and the increased security activities around the Malacca Strait. India is building a major outpost on the Great Nicobar Island. It needs to ensure that its expanded presence in the Andaman Sea is part of a cooperative framework with other littorals rather than a unilateral move. New Delhi and Bangkok can upgrade their naval CORPAT into a vehicle for broader engagement by increasing its frequency, scope, size and the degree of collaboration between the two navies. The two can also consider developing a multilateral patrolling institution with other littorals as a counterpart to the Malacca Straits Patrol.

The instability in Myanmar is a challenge shared by India and Thailand. Yet, any discussion on the issue between New Delhi and

111 Archanun Kohpaiboon and Prasert Vijithnopparat, "Thailand and the Chinese Import Surge: Possible Policy Responses", *Fulcrum*, 13 December 2024.

112 Data from "Japan's Outward FDI by Country/Region (Balance of Payments basis, net and flow)", JETRO.

Bangkok is piecemeal or ad hoc, such as the six-country informal consultations between Myanmar and its neighbours hosted by Thailand in 2024. New Delhi and Bangkok need to regularise exchanges of views on Myanmar as part of their strategic partnership.

The Thai military government moved the country closer to China after 2014 in response to pressure from the US. Today, the civilian government finds itself in an uncomfortable position amidst the great power rivalry. Thai policymakers harbour misgivings over their growing dependence on China. Yet, they hesitate to move too close to the US lest it anger Beijing.[113] It is in New Delhi's interest to try to balance rising Chinese influence in Thailand, a maritime neighbour. It can do so by stepping up defence diplomacy activities and security cooperation as a way to signal its commitment. Bangkok is likely to welcome deeper geopolitical engagement with India as a way to relieve the pressure of Sino-US rivalry.

Despite decades of discussions, India has not been able to break into the Thai defence market, in part because Bangkok has been spoiled for choice in the past. However, its growing dependence on China and bumpy relations with the US are prompting it to diversify its defence import sources. Joint production between Thailand and India, first floated in 2015, remains the most promising avenue for the two sides to explore. Russia, which has also been trying to improve its relations with Thailand, can play an important role in the process.

Both India and Thailand view themselves as regional leaders meant to play constructive roles on the world stage. These foreign policy impulses can be utilised to encourage cooperation on a multilateral level. Revitalisation of BIMSTEC is a low-hanging fruit, which can be achieved by paring down its scope to a manageable level. The two can also look to revive the MGC.

The issue of scam centres is a crucial area where the two countries need to enhance their cooperation at both the bilateral and multilateral levels. International efforts in this field are nascent as of

113 Pongphisoot Busbarat, "Bamboo Stuck in the Chinese Wind": The Continuing Significance of the China Factor in Thailand's Foreign Policy Orientation", *Contemporary Southeast Asia* 46 no. 1 (2024); Paul Chambers, "An Overview of Thai-US Relations in 2025", ISEAS Perspectives, 2025/87, 10 November 2025; and Tita Sanglee, "Where Do Thailand-China Relations Stand in 2026?", *The Diplomat*, 30 April 2026 https://thediplomat.com/2026/04/where-do-thailand-china-relations-stand-in-2026/.

now. Bangkok and New Delhi can play leadership roles in building a multinational coalition to combat its scourge.

Charting a new bilateral agenda to bring Thailand and India closer is possible if the two sides commit to it. One can trot out many reasons why the two should make the commitment, including geographical proximity, cultural link, strategic significance, economic complementarities, knock-on effects on India-ASEAN ties and shared developmental challenges. However, New Delhi and Bangkok have not always found such reasons persuasive enough to prioritise the relationship. Foreign policy focus on a particular bilateral relation is never just a function of structural factors. It often turns on contingency, history and ideological worldviews. It remains an open question whether enough enthusiasm exists in either country to spend the necessary political capital and diplomatic energy needed to bring greater intimacy to the relationship.

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