

# India-ASEAN Relations

June 28, 2022

## Manifest Pedagogy:

ASEAN and India are relatively well positioned when it comes to the budding relations and both India and ASEAN need to act on the ample opportunities available to advance a cooperative and mutually beneficial relationship.

In News: The year 2022 marks the 30th anniversary of dialogue relations between ASEAN and India.

Placing it in Syllabus: International Relations

## Static Dimensions:

- About ASEAN
- Overview of India-ASEAN- Relations

## Current Dimensions:

- Institutional mechanisms for engaging ASEAN
- India- ASEAN Relations
- Opportunities in ASEAN Relations
- Challenges in ASEAN Relations
- Way Forward.

## Content

### About ASEAN-

- The Association of South-East Asian Nations (ASEAN) is a **political and economic union** of 10 member states in Southeast Asia, which promotes intergovernmental cooperation and facilitates economic, political, security, military, educational, and sociocultural integration between its members and countries in Asia-Pacific.
- ASEAN's primary objective is to accelerate economic

growth and through that social progress and cultural development.

- A secondary objective is to promote regional peace and stability based on the rule of law and the principle of United Nations charter.
- ASEAN was preceded by an organisation formed on 31 July 1961 called the **Association of Southeast Asia (ASA)**, a group consisting of [Thailand](#), the [Philippines](#), and the [Federation of Malaya](#).
- ASEAN itself was **created on 8 August 1967**, when the [foreign ministers](#) of five countries- [Indonesia](#), [Malaysia](#), the [Philippines](#), [Singapore](#), and [Thailand](#), signed the [ASEAN Declaration](#).
- Today it comprises **Indonesia, Singapore, Philippines, Malaysia, Brunei, Thailand, Cambodia, Lao PDR, Myanmar and Vietnam**.
- It is headquartered in Jakarta, Indonesia.

### **Overview of India-ASEAN- Relations-**

- India began formal engagement with ASEAN in 1992 as a “Sectoral Dialogue Partner” and Subsequently as a “Dialogue Partner” in 1996.
- The initial years as a Dialogue Partner entailed Interaction at the Foreign Minister level which was further upgraded to the Summit level in 2002, when the first such Summit level meeting was held.
- At the 20 year Commemorative Summit Meeting in New Delhi (December 2012) our Dialogue Partnership was further elevated to a Strategic Partnership.
- During the 25-year Commemorative Summit in New Delhi (January 2018), India and ASEAN have further agreed that our Strategic Partnership will be focused on building cooperation in the maritime domain.
- The **year 2022 marks 30 years of ASEAN-India relations and it has been designated as ASEAN-India Friendship Year** by the leaders in October 2021.

## **Institutional mechanisms for engaging ASEAN-**

- Engagement with ASEAN is a multi-level interaction process. At the apex is the annual Summits (“ASEAN-India Summit”) supported by meetings at the Foreign Minister level (“ASEAN India Foreign Ministers Meeting”).
- To support cooperation activities between ASEAN and India, Govt of India has created three funds
  - ASEAN-India Cooperation Fund (AIF),
  - ASEAN-India Green Fund (AIGF)
  - ASEAN-India Science and Technology Development Fund (AISTDF).
- **Delhi Dialogue**-The ‘Delhi Dialogue’ (DD) mechanism hosted by India annually, traditionally inaugurated jointly by India and ASEAN at the Foreign Minister’s level, serves as the main mechanism for our engagement. The DD-mechanism allows participation of think tanks, academics and prominent civil society persons from both India and the ASEAN region.
- **Sectoral Dialogue mechanisms**- Indian line ministries also interact with their ASEAN counterparts through sector-specific dialogue mechanisms. The following are some of the important sectoral bodies:
  - For business and trade: The ASEAN Economic Ministers+India meetings (Ministerial level)
  - For Energy: East Asia Summit Energy Ministers Meeting (Ministerial level)
  - For Education: EAS Education Ministers Meeting (Ministerial level)
  - For promoting cooperation in S&T and the Space Sector: ASEAN-India Working Group on Science & Technology (AIWGST) (Secretary level)
- In addition to all the above India-ASEAN mechanisms, India regularly participates in the meetings of the **East Asia Summit (EAS), ASEAN Regional Forum (ARF), ASEAN Defense Ministers Meeting (ADMM+) and the Expanded ASEAN Maritime Forum.**

## INDIA-ASEAN relations-

- **India-ASEAN economic engagements**
  - **ASEAN Economic Ministers-India Consultations (AEM + India)**-The ASEAN Economic Ministers (AEM) is one of the main ASEAN 'sectoral bodies' and therefore AEM-India meetings, one of our most important sectoral body engagements. Commerce Minister attends these meetings.
  - **The ASEAN India Framework Agreement on Comprehensive Economic Cooperation (2003)** finalized during the 2nd Summit meeting in 2003, the agreement provides the 'mandate' for the creation of an ASEAN-India Free Trade Area.
    - **ASEAN-India Trade in Goods Agreement** (AITIGA, signed 2009, in-force 1 January 2010)
    - **ASEAN-India Agreement for Trade in Services** (AITISA, signed 2014 and all parties ratified it in 2018)
    - **Agreement on Investment** (signed 2014) have been finalized and ratified by all parties.
  - **ASEAN-India Business Council (AIBC)**: Set up in 2003 to promote Comprehensive Economic Cooperation between India and the ASEAN region. It is meant to serve as a private sector mechanism to provide Governments on both sides to provide opportunities.
  - **Trade in Commodities**: Commodity trade between India and ASEAN region has reached **98.39 billion** in the period April 2021- February 2022. India's main trading ties are with Indonesia, Singapore, Malaysia, Vietnam and Thailand.
  - **Investment**: Between 2000-2021 cumulative FDIs from ASEAN to India was **\$117.88 billion**. These were mainly accounted for by Singaporean investments in India (\$115 billion). Indian investment into ASEAN

from April 2019 till March 2022 is US\$ 55.5 billion out of which US\$ 51.5 billion investment is in Singapore.

▪ **Political Security Cooperation:**

- Rising export of terror, growing radicalization through ideology of hatred, and spread of extreme violence define the landscape of common security threats to our societies.
- Our partnership with ASEAN seeks to craft a response that relies on coordination, cooperation and sharing of experiences at multiple levels.
- India places ASEAN at the Centre of its Indo-Pacific vision of Security and Growth for All in the Region.
- The main forum for ASEAN security dialogue is the ASEAN Regional Forum (ARF). India has been attending annual meetings of this forum since 1996 and has actively participated in its various activities.
- The ASEAN Defense Ministers' Meeting (ADMM) is the highest defense consultative and cooperative mechanism in ASEAN.
- The ADMM+ brings together Defence Ministers from the 10 ASEAN nations plus Australia, China, India, Japan, New Zealand, Republic of Korea, Russia, and the United States on a biannual basis.

▪ **Socio-Cultural Cooperation:**

- India has been organizing programmes to boost People-to-People Interaction with ASEAN, such as inviting ASEAN students to India each year for the Students Exchange Programme, Special Training Course for ASEAN diplomats, Exchange of Parliamentarians, Participation of ASEAN students in the National Children's Science Congress, ASEAN-India Eminent Persons Lecture Series, etc.
- The 2nd edition of the ASEAN-India Workshop on

Blue Economy, jointly hosted with the Socialist Republic of Viet Nam, was held on 18 July 2018.

- **Cultural**– India's cultural relation with Southeast Asia is centuries old and serves as a living link between the two regions. Civilizational and cultural links date back thousands of years, since the prehistoric times. There has been increased cultural cooperation through following ways-
  - Buddhism, Yoga, Revival of Nalanda University, Chairs of Indian studies in universities (Singapore, Malaysia, Indonesia), Indian Cultural Centres (Jakarta, Bali, Bangkok, Kuala Lumpur, Suva, Lautoka),
  - Joint restoration of monuments (Cambodia, Vietnam, Laos).
- **Connectivity:**
  - In 2013, India became the third dialogue partner of ASEAN to initiate an ASEAN Connectivity Coordinating Committee-India Meeting.
  - India has made considerable progress in implementing the **India-Myanmar-Thailand Trilateral Highway and the Kaladan Multimodal Project**.
  - A possible extension to India-Myanmar-Thailand Trilateral Highway to Cambodia, Lao PDR and VietNam is also under consideration.
  - A consensus on finalizing the proposed protocol of the **India-Myanmar-Thailand Motor Vehicle Agreement (IMT MVA)** has been reached.
  - The PM announced a Line of Credit of US\$ 1 billion to promote projects that support physical and digital connectivity between India and ASEAN.

### **Opportunities provided by ASEAN relations-**

- **Demographic dividend** – It constitutes the **3rd largest population** in the world, of which more than half is below thirty years of age.

- ASEAN has a much bigger impact on trade, politics, and security challenges in the Asia-Pacific region.
- ASEAN has contributed to regional stability by building much-needed norms and fostering a neutral environment to address shared challenges.
- Economic:
  - **3rd largest market in the world** – larger than EU and North American markets.
  - **6th largest economy** in the world, 3rd in Asia.
  - Free-trade agreements (**FTAs**) with **China, Japan, South Korea, India, Australia and New Zealand.**
  - Fourth most popular investment destination globally.
- Collaboration with the ASEAN nations is necessary to counter insurgency in the Northeast, combat terrorism, tax evasions etc.
- Counter to China's presence in the region and economic growth and development for India.
- Connectivity projects keep Northeast India at the centre, ensuring the economic growth of the northeastern states.

### **Challenges in ASEAN Relations-**

- Cross country organized crime like drug trafficking between **Myanmar, Thailand and Laos forming the Golden Triangle** could not be contained by ASEAN.
- The South-China sea dispute has resulted in many ASEAN nations aligning with China.
- China is trying to increase its presence in the area through its One Belt One Road (OBOR) initiative which is opposed by India.
- Poor direct Connectivity with the region
  - Delay in completing infrastructure projects– India-Myanmar-Thailand trilateral highway, the Kaladan Multimodal Transit and Transport Project, and the Moreh-Mandalay Bus Services, due to

various political and financial constraints, has impeded the progress of economic cooperation.

- Because the key regional leaders are involved in the intricate geopolitics of the region, ASEAN lacks strategic autonomy and must look to multiple leaders rather than just one to advance.
- Economic challenges – India has an unfavorable balance of trade with the ASEAN nations. This is mainly due to the Free Trade Agreement (FTA) with ASEAN, which has caused an influx of inexpensive imported goods into India.
- India's domestic producers are also suffering. For example- Cheaper palm oil from ASEAN is hurting local prod producers in Kerala. On the investment front too, India is at the back foot.
- Issues related to increasing the maritime and air connectivity between ASEAN and India and transforming the corridors of connectivity into economic corridors.

### Way Forward-

- Concept of QUAD must be expanded to include the ASEAN countries and become a QUAD+ arrangement (Vietnam and Indonesia have expressed a positive note on QUAD in the region).
- Strengthening cultural connect – Tourism can be further encouraged between India and the ASEAN with some creative branding by the two sides.
- Mekong-India Economic Corridor, which would link the Indian coast with the uncharted Southeast Asian coast and beyond, is one possible alternative economic corridor built on multimodal connectivity.
- Strengthening land, air, and sea linkages will enhance people-to-people flows, as well as boost business, investment, and tourism.
- No ASEAN country has close military ties with China as they never trusted China for military alliance. India



can fill the gap and become a military Partner.

- Faster Completion of the existing projects will build trust.

### **Mould Your Thought-**

1. Discuss the evolution of ASEAN-India Relations. Highlight the Opportunities and Challenges in ASEAN-INDIA relations. (250 Words)

### ***Approach to the answer-***

- Introduce about ASEAN
- Development of India ASEAN relations
- Opportunities
- Challenges
- Conclude with how these challenges be resolved