

## **Indo-ASEAN ties: “Towards a more refined growth engine”**

### A look into the past

The seeds for this multidimensional relationship were sown in 1992 with India under PM Shri Narasimha Rao announcing its Look-East Policy (LEP) where the core priority for India was to build relations with the ASEAN. Since India was looking for options to manifest itself as a global leader, saw opportunities from integrating with ASEAN thereby unlocking the vast potential of India's commerce and trade sector. Embarking upon this upcoming affiliation, economic integration was a focus area under the LEP. From being a Sectoral Dialogue Partner in 1992 to finally concluding the ASEAN-India Free Trade Area (AIFTA) in 2009, the trajectory captures the impressive integration of India with the ASEAN. ASEAN has emerged central to both India's Act east policy and the greater vision for the Indo-pacific. The India-ASEAN Strategic Partnership acquired a new momentum with the announcement of “Act-East Policy” in the 12th Summit in 2014. It conveyed a clear intent on the part of India to upgrade its engagement with the ASEAN Member States to the next level. The Act-East Policy emphasizes Connectivity, Commerce and Culture (3 Cs) referred by PM Shri Narendra Modi as the primary areas of action for a greater ASEAN-India integration.

### Highlights of the relationship

There are several key achievements to its basket. Firstly, ASEAN-India Plan of Action was developed to implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity. The financing of Plan of Action (POA) projects is done through ASEAN-India Fund, Science & Technology Development Fund and Green Fund.

Secondly, Indo-ASEAN FTA signed in Aug,2009 and came into force in Jan,2010. In the financial year 2017–18, Indo-ASEAN bilateral trade grew by almost 14% to reach US\$81.3 billion. India's imports from ASEAN were valued at US\$47.13 billion while its exports to ASEAN stood at US\$34.2 billion.

Thirdly, the Defence Cooperation between India and ASEAN Nations have increased manifold with India doing defence exercises with ASEAN Nations. Most importantly India is committed to the newly proposed Indo-ASEAN maritime naval exercise. Though we were doing bilateral and trilaterals with these nations but this is for the first time that we will be doing defence exercise with the ASEAN as a whole. Also, India is exporting its defence equipment to ASEAN Nations individually taking Chinese actions into consideration. Entering into bilateral agreements with individual Nations like the \$375 million deal with Philippines to supply coastal version of Brahmos supersonic cruise missile. With Malaysia, India is in negotiations to export its HAL's LCA Tejas. During a recent visit by our Defence Minister Shri Rajnath Singh to Vietnam, India is going to supply various defence equipment. All these are testimonies to this strengthening Defence Cooperation.

## Constraints to Indo-ASEAN relationship

India faces three key challenges in deepening trade and integration vis-a-vis ASEAN. Firstly, Connectivity which the AEP proposes to bridge in the near future. We have a well developed maritime routes to ASEAN Nations but overland connectivity is still below satisfactory level due to various reasons like administrative and bureaucratic problems, instability in Myanmar owing to the coup that suspended democracy, etc.

Secondly, trade barriers, which ASEAN member states cite as a key hindrance on the Indian side to deepening of trade. For consideration, China's trade with the 10 nation bloc is around \$700 billion in 2020, more than 8 times of India's trade.

Thirdly, there is a question on India's roadmap on how it intends to integrate with the ASEAN states at the level of trade.

## Global geopolitical uncertainty and Indo-ASEAN role

Clouds of uncertainty are not looking to go in the near future. Acting as huge mountains in front of global growth prospects. World was already facing high inflation rates well before the Russia-Ukraine War started and it further aggravated the situation. I can't say that it added fuel to the situation even if I wish to. The Russia-Ukraine war had implications on India and ASEAN Nations considering both as heavy energy importers

with India meeting more than 85% of its oil requirements from imports. Since the war has created supply chain disruptions it has its effects on the economies of both. India claims to not only to become energy self-reliant but also an energy exporting nation by 2047.

Food grain Inflation that arose out of the war as Russia-Ukraine are food baskets of the world and due to war, this supply is cut-off. The world is facing acute shortage of essential food grains. Here this relationship played a crucial role in slowing the rate of food grain Inflation though there is still a huge potential untapped that this relationship can play by fulfilling the food grain demand of the world.

Both India and ASEAN are playing their roles individually as well as together towards guiding the world in pursuit of global stability.

## The Chinese test and the regional inclination

China made investments in the Indo-Pacific through its Belt and Road initiative are overwhelming. China wants to open new gateways of development therefore making claims in the South China sea as a part of the greater Indo-Pacific as there are huge reserves of oil and gas. This is unlikely to the US, leading to geopolitical and geo-economical contestation over the region. With the US coming with newer tools like the Indo-Pacific Economic Framework (IPEF) to provide alternatives to ASEAN Nations against the Chinese investments. Seven out of ten ASEAN member states joined the IPEF with the remaining three— Myanmar, Laos and Cambodia are refraining to upset China. India together with UK has in the form of Global Innovation Partnership (GIP) initiated the Trilateral Development Cooperation (TDC) fund for the same objective of providing multiple options for infrastructure development to ASEAN member states. There is growing demand for multilateralism, rather than personal benefit guided unilateral actions.

## Present scenario

In the recent times, India's Act-East Policy (AEP) is a connecting bridge between India and the East and Southeast Asian Nations. The Indian Prime Minister, while launching the AEP, asserted that the ASEAN is central to India's AEP. Though the LEP began with a thrust on economic cooperation with the ASEAN, the AEP has added the needed strategic perspective in the engagement. Today, India is engaging with ASEAN at

the levels of security, terrorism, piracy, climate change and so on. The Indian participation in the ASEAN Defence Ministers Meeting (ADMM) plus forum provides a stage to cooperate on issues ranging from maritime security to peacekeeping operations. Sub-groupings such as BIMSTEC and Mekong-Ganga cooperation can act as possible tools for deepening ties.

Therefore, in the contemporary world with rising uncertainty and anxiety about the future of humanity, this relationship can emerge as a platform for tackling challenges entrenched in the global society.