



AIC COMMENTARY

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Ways Forward for India and ASEAN in Indo-Pacific **Ian Hall***

In 2022, relationship between ASEAN and India has been upgraded to the comprehensive strategic partnership. India's ties with several Southeast Asian states are now much stronger. Yet despite this progress, it is clear the India-ASEAN strategic partnership has not delivered all that it could. This commentary presents pathways for deeper India-ASEAN ties.

India's relationships with the states and societies of Southeast Asia and with the ASEAN itself have, of course, been transformed since the end of the Cold War. The then Prime Minister P. V. Narasimha Rao's outreach to the region in the mid.1990s – part of the Look East Policy – was warmly received, as were the efforts of his successors. India became a member of the ASEAN Regional Forum and a Dialogue Partner in 1996, agreed a framework for an India-ASEAN Free Trade Area in 2003, and became a founder member of the East Asia Summit in 2005. India became an ASEAN Strategic Partner in 2012 and appointed an ambassador to ASEAN in 2015. In 2022, relationship between ASEAN and India has been upgraded to the comprehensive strategic partnership. As on 2021-22, India's bilateral trade with ASEAN now stands at about US\$ 110 billion. Investments between them have grown up. And India's ties with several Southeast Asian states are now much stronger. BIMSTEC has proved an important platform for infrastructure development connecting India to Myanmar and Thailand. Regional security concerns have led to upgrade to the defence relationships with the Philippines, Singapore, and Vietnam. Finally, India has played an invaluable diplomatic role in bridging the gap between American, Australian, and Japanese visions for regional security and ASEAN's Outlook on the Indo-Pacific.¹

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Yet despite this progress, it is clear the India-ASEAN strategic partnership has not delivered all that it could. Much more trade and investment should flow between India and ASEAN. At present, the value of India-ASEAN bilateral trade is slightly more than the value of Australia-ASEAN trade (about US\$ 70 billion in 2020) and only a fraction (about 1/8) of the value of trade between China and ASEAN. New Delhi's decision to withdraw from the Regional Comprehensive Economic Partnership (RCEP) in late 2019 combined with disruptions caused by the COVID-19, which cut bilateral trade by almost US\$ 20 billion,² mean that greater effort will have to be devoted to finding other ways to bolster the economic relationship. A review of the 2009 India-ASEAN free trade deal might offer one opportunity; alternatively, bilateral or minilateral deals could be pursued, as well as the recently announced Indo-Pacific Economic Framework for Prosperity. But fundamentally, market access will have to be addressed to achieve what is possible and mutually beneficial.

Similarly, more could and should be done on regional security. Beyond longstanding territorial disputes, the questions of freedom of navigation and overflight, and the illegal exploitation of maritime resources, loom large in Southeast Asia. The new Quad Indo-Pacific Partnership for Maritime Domain Awareness is a step forward, complementing the Indian Ocean Information Fusion Centre hosted by India since 2018. ASEAN member states should benefit from the data generated by the new Quad initiative. But it is one thing to know who or what is operating in your waters – and another to have the means do something effective in response. India might do more to build coastguard capacity not just in the Indian Ocean, but also in maritime Southeast Asia, perhaps in partnership with Japan, which has been working hard to supply the necessary hardware and knowledge. India could also join with regional states in minilateral security initiatives, such as bolstering the Malacca Strait Patrols currently operated by Indonesia, Malaysia, Singapore, and Thailand that built trust and interoperability.

Two other important areas are cyber security and the defence sales. India's Information Technology industry already plays an important global role in

¹ For a useful recent overview, see Karthik Nachiappan, 'India-ASEAN Relations: Riding and Transcending the "Indo-Pacific" Wave.' *The Journal of Indian and Asian Studies* 2(2) (2021): 2140004.

² In 2018-19, the value of bilateral India-ASEAN trade was US\$96.8bn, and in 2020-21, it was US\$78.9bn. See 'Foreign Trade (ASEAN)', Ministry of Commerce and Industry, India, <https://commerce.gov.in/about-us/divisions/foreign-trade-territorial-division/foreign-trade-asean/>, accessed 10 June 2022.

ensuring cyber security. And the demand to secure critical digital infrastructure in Southeast Asia and across the world is high and growing, as we move towards more digital payment platforms and the widespread deployment of 5G. I know another recent Track 1.5 India-ASEAN dialogue set out a roadmap for greater cooperation to secure these and other crucial areas and it seems to me that this is a pressing and obvious area for partnership.³ Government to Government (G2G) and corporate partnerships will play big roles here, but attention should also be paid to research collaboration between universities in cyber security and also in related areas like Artificial Intelligence and quantum technologies, where others already have a significant edge.

The other important area for more cooperation is in defence. It is now apparent that unless we see some significant change of position or leadership in Moscow, the Ukraine war could last well into 2023 or even longer. This will pose multiple challenges beyond the ongoing suffering of the Ukrainian people, the disruption to global trade and investment caused by sanctions, the spike in oil and gas prices, and the food crisis. A significant one will be the limiting of access to Russian and Ukrainian arms, ammunition, and maintenance. Russia's defence industrial production will be refocused to replace and repair equipment losses, and Ukraine's production has already been refocused to supply its own needs, with serious implications for export customers, including India and several Southeast Asian states.⁴ If India succeeds in rapidly ramping up its domestic defence industry, however, there will be opportunities for India to build export markets in Southeast Asia and for Southeast Asian states to plug gaps created by ongoing and potentially long-lasting lack of supply from Russia and Ukraine.

These pathways for deeper India-ASEAN ties are, I think, achievable. Almost thirty years on from the launch of the Look East Policy, India and Southeast Asian states understand each other's views, intentions, and capacities far better than they did. Moreover, India and Southeast Asian states are substantively in agreement about their core interests. In an uncertain context, marked by major

³ Trisha Ray, *An ASEAN-India Cybersecurity Partnership for Peace, Progress, and Prosperity: Report of the Third ASEAN-India Track 1.5 Dialogue on Cyber Issues*, 11 April 2022, <https://www.orfonline.org/research/asean-india-cybersecurity-partnership-for-peace-progress-and-prosperity/>, accessed 10 June 2022.

⁴ For a discussion of the consequences of these changes, see Vasabjit Banerjee and Benjamin Tkach, *After Ukraine, Where Will India Buy its Weapons?*, *War on the Rocks*, 12 April 2022, <https://warontherocks.com/2022/04/after-ukraine-where-will-india-buy-its-weapons/>, accessed 10 June 2022.

power competition and perhaps a looming bid for regional hegemony, India and Southeast Asian states are rightly concerned for their independence and their autonomy. They want to ensure that they have the freedom to make their own decisions in terms of their own development strategies and choose their economic or security partners. They recognise that sustaining independence and autonomy requires a clear set of rules, a functioning set of regional institutions, and state capacity and resilience.

This agreement on basic principles has allowed India-ASEAN relations to stay on track despite periodic setbacks, such as the decision to withdraw from RCEP. So too have the important historical, cultural, and ongoing people-to-people connections between India and Southeast Asia. But that agreement and those connections are not sufficient, in itself, to deliver what India and ASEAN could and arguably should achieve. Both need more clearly to articulate the kind of economic relationship they would like to see evolve and how to realise that outcome. Both also need more clearly to lay out mutual expectations about India's putative role as a security partner in Southeast Asia, as a provider of certain goods or services. This strategic clarity is needed to ensure that the relationship succeeds in all the many areas evolved over time.

About AIC



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Considering the work of the ASEAN-India Eminent Persons Group (AIEPG), and its Report with recommendations for forging a closer partnership for peace, progress and shared prosperity, the Heads of the State/Government of ASEAN and India at the ASEAN-India Commemorative Summit 2012, held at New Delhi on 19-20 December 2012, recommended the establishment of ASEAN-India Centre (AIC), which was formally inaugurated by the Hon'ble External Affairs Minister of the Government of India on 21 June 2013 at RIS. AIC serves as a resource centre for ASEAN Member States and India to fill the knowledge gaps that currently limit the opportunities for cooperation. AIC works with the Ministry of External Affairs (MEA), Government of India and undertakes evidence-based policy research and provide policy recommendations.

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