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AIC COMMENTARY

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Towards a Resilient Partnership: ASEAN and India in a Transforming Global Landscape

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The world is contending with profound changes and transformative forces that are reshaping the very fabric of international relations and influencing nearly every aspect of human life. In the geopolitical arena, we observe intensifying rivalry among major powers, most notably between China and the United States, alongside persistent conflicts in Europe and the Middle East. At the same time, rapid advancements in technology, including artificial intelligence, digitalization and green energy, are recalibrating our strategic outlook as well as our economic and industrial policies. This shifting environment is compounded by escalating environmental challenges, with climate change and resource scarcity testing the resilience of nations worldwide. These developments offer immense potential, yet they also present substantial challenges.

Major powers are vying to secure control over emerging technologies to boost their strategic and economic positions. Meanwhile, the competition for critical resources is sharpening, as countries urgently seek to mitigate the impacts of climate change and to secure sustainable pathways for food and energy security. In this context, the pursuit of green, blue, and circular economies is not only a response to environmental crises but a necessary step towards a more resilient future. This complex backdrop, invites ASEAN and India to reflect on how both regions can navigate these challenges better together. As the India's Act East Policy marks its tenth anniversary, and ASEAN prepares to adopt the ASEAN Vision 2045 as its strategic guide for the coming decades, this is an opportune time to explore how both regions can deepen synergies and strengthen partnerships to address both the challenges and opportunities presented by these emerging megatrends.

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Based on speech made at 8th AINTT roundtable held in Singapore

Over the years, ASEAN-India relations have significantly expanded and deepened. Since India became a Sectoral Dialogue Partner in 1992, it achieved full dialogue partner status in 1995 and was recognized as a Strategic Partner of ASEAN in 2012. Most recently, in 2022, India was elevated to the status of Comprehensive Strategic Partner (CSP). To ensure that this partnership becomes even more meaningful, substantive, and mutually beneficial over the next five years, we are currently crafting a new Plan of Action (POA) to implement the CSP. This process requires thoughtful consideration of the complex global strategic landscape we face.

Amid rising tensions and uncertainties in the global geopolitical landscape, the effectiveness of multilateralism is increasingly under scrutiny. Some view the rise of minilateral arrangements as a potential challenge to established multilateral frameworks, including ASEAN-led mechanisms. However, it is important to note that many of the countries involved in these minilateral groupings are also key partners of ASEAN and remain committed to supporting ASEAN Centrality, not just in words but through concrete cooperation across vital areas such as trade, investment, health, and environment. This suggests that minilateral efforts have the potential to complement, rather than compete with, ASEAN-led multilateralism. Sub-regional arrangements can serve as building blocks of broader regional cooperation. As long as these minilaterals continue to contribute to ASEAN's objectives of promoting peace, prosperity, security and sustainability, their emergence should not be seen as undermining ASEAN Centrality but instead complementing it.

ASEAN remains pivotal in shaping the regional architecture through ASEAN-led mechanisms and strong bilateral ties with various partners. It is through its mechanisms such as the East Asia Summit (EAS), the ASEAN Regional Forum (ARF), and the ASEAN Defence Ministers' Meeting (ADMM)-Plus, that ASEAN promotes an inclusive and constructive engagement amongst its external partners. ASEAN's enduring significance is underscored by the steadfast commitment of external partners to support ASEAN's community-building efforts and priorities, as well as their active participation in ASEAN-centered regional architecture.

As a longstanding ASEAN Dialogue Partner and a rising power with growing economic and strategic influence, India's engagement with ASEAN, and through ASEAN, is pivotal in advancing our joint objectives. This is exemplified by the adoption of the ASEAN-India Joint Statement on Cooperation on the ASEAN Outlook on the Indo-Pacific for Peace, Stability, and Prosperity in the Region, in 2021. Since its adoption in 2019, the AOIP has become a key platform for ASEAN to actively shape regional dynamics and foster partnerships across various domains, including maritime cooperation, connectivity, sustainable development, and broader economic collaboration. The steadfast support for the AOIP from key partners like India has reinforced ASEAN's convening power and its capacity to influence the regional architecture through an affirmative agenda that addresses the pressing challenges of our time.

Most recently, at the ASEAN-India Summit in Vientiane, our leaders adopted the Joint Statement on Strengthening ASEAN-India Comprehensive Strategic Partnership for Peace, Stability, and Prosperity in the Context of the AOIP with the Support of India's Act East Policy (AEP), which demonstrates our shared vision for regional stability and unity within the evolving architecture.

This mutual commitment enables both ASEAN and India to explore synergies between the AOIP and India's Indo-Pacific Oceans Initiatives (IPOI) for mutual benefits.

There is considerable potential to deepen our ties, particularly in trade and investment. As of 2023, India ranked as ASEAN's 8th largest trade partner among Dialogue Partners, with total trade reaching US\$101.9 billion, accounting for 2.86% of ASEAN's overall trade. Notably, India has re-entered the list of the top 10 foreign investors in ASEAN for the second time since its debut in 2012, with its investment to the region more than doubling to US\$5.6 billion.

Beyond economic ties, the socio-cultural dimensions of ASEAN-India relations have flourished over the years, encompassing human resource development, people-to-people contacts and cultural exchanges, education, health, biodiversity, climate change, and disaster management. These initiatives are supported by the ASEAN-India Fund and the ASEAN-India Green Fund, highlighting the depth and resilience of our partnership.

Navigating a world in transition requires resilience and adaptation. To maximize the potential of ASEAN-India cooperation amidst global uncertainties, both ASEAN and India must leverage emerging opportunities and proactively adapt to challenges. By doing so, they can shape a more stable and prosperous region while sustaining and strengthening their existing cooperation. In this context, ASEAN and India should further explore opportunities for practical cooperation in the priority areas outlined in the AOIP. Specifically, maritime cooperation is a critical multi-faceted domain, encompassing maritime security, the blue economy, sustainable fisheries, marine environmental protection, marine biodiversity, and climate change. Given that ASEAN and India adopted a Joint Statement on Maritime Cooperation in 2022, it is essential to advance the implementation of this agreement. Continued collaboration on maritime security, counter-piracy efforts, maritime safety, search and rescue operations, and information sharing should be pursued through appropriate mechanisms within the ASEAN-India framework and other ASEAN-led initiatives.

From an economic perspective, India should to further enhance its trade and investment with ASEAN, particularly through the full and effective utilization of the ASEAN-India Free Trade Area (AIFTA). Both ASEAN and India have initiated a review of the ASEAN-India Trade in Goods Agreement (AITIGA) to make it more effective, user-friendly, and aligned with current global trading practices. Additionally, strengthening interactions and engagements between businesses in ASEAN and India is crucial for exploring and capitalizing on trade and investment opportunities to deepen our regional supply chains.

Given the megatrend towards green transition, it would be beneficial for ASEAN and India to further collaborate on energy security and power grid connectivity. This includes deploying clean, renewable, and low-carbon energy solutions, as well as decarbonization technologies, in alignment with the ASEAN Plan of Action for Energy Cooperation and India's renewable energy goals. Additionally, leveraging the ASEAN-India Green Fund and the ASEAN-India Science & Technology Development Fund can facilitate new initiatives, such as capacity-building programs

focused on Lifestyle for Environment (LIFE), promoting the green economy, and supporting sustainable and circular agricultural practices under the ASEAN Regional Guidelines on Sustainable Agriculture.

On connectivity, I acknowledge India's steadfast commitment to collaborating with ASEAN, particularly in advancing both physical and digital connectivity. I encourage India to continue supporting the implementation of the Master Plan on ASEAN Connectivity (MPAC) 2025, along with its successor, the ASEAN Connectivity Strategic Plan. This aligns with India's Act East Policy and the "Connecting the Connectivities" approach, fostering greater integration and cooperation between our regions.

Collaboration in FinTech is equally important for enhancing financial connectivity between ASEAN and India, particularly through digital payments. To facilitate this, ASEAN and India should explore cooperation on emerging technologies such as Artificial Intelligence (AI), Blockchain, the Internet of Things (IoT), Quantum Computing, and 6G technology. Additionally, building and strengthening the startup ecosystem, with a focus on digital connectivity and financial technology, will further bolster our partnership.

Despite the fluid geo-strategic environment and the challenges, we face, ASEAN and India can successfully navigate this complex landscape through practical cooperation projects and initiatives that foster mutual trust, respect, and benefit via ASEAN-led mechanisms. Together, ASEAN and India can forge a synergistic partnership that propels both regions towards a more prosperous.

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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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