

IDSA *Background*

Significance of India's Act East Policy and Engagement with ASEAN

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S*ummary*

With Prime Minister Modi emphasizing India's commitment to the early conclusion of a balanced and comprehensive Regional Comprehensive Economic Partnership (RCEP) at the ASEAN-India Breakfast Summit in Singapore in November 2018, India has clearly articulated the importance of trade and investment in enhancing prosperity and security of the Indo-Pacific.

Prime Minister Narendra Modi paid a visit to Singapore from 14-15 November, 2018 for the ASEAN-India Breakfast Summit. The ASEAN-India Summit provides opportunities for the leaders to interact in a multilateral setting, as well as for informal interactions on a one-to-one basis. This was PM Modi's fifth ASEAN-India Summit meeting and the fifth EAS meeting. The ASEAN-India Summit cannot be seen in isolation. PM Modi also participated in the East Asia Summit and the 2nd Regional Comprehensive Economic Partnership (RCEP) Summit on 14 November, besides delivering the Keynote address at the Singapore Fintech Festival. He held important meetings, including with Lee Hsien Loong, the prime minister of Singapore; Scott Morrison, PM of Australia; the PM of Thailand, Prayut Chan-o-cha and the Vice President of the United States, Mike Pence.

Earlier on 25 January 2018, New Delhi hosted the ASEAN-India Commemorative Summit themed "Shared Values, Common Destiny", attended by the leaders of the ten ASEAN States. The Delhi Declaration was issued on this occasion, covering the entire spectrum of political-security, economic, socio-cultural and development cooperation. This was sought to be achieved through "further strengthening of relevant institutional mechanisms and broadening of the network between government institutions, parliamentarians, business circles, scientists, academicians, think-tanks, media, youth and other stakeholders, for the building of a peaceful, harmonious, caring and sharing community in our regions."¹ Modi had visited Singapore in June this year to attend the Shangri-La Dialogue, where he spoke about India's vision of the Indo-Pacific.

India's Act East Policy was unveiled at the 12th ASEAN-India Summit in 2014 held in Nay Pyi Taw. In his Opening Statement on the occasion, Modi said: "A new era of economic development, industrialization and trade has begun in India. Externally, India's 'Look East Policy' has become 'Act East Policy'."² At this point of time, the 2nd Plan of Action (POA) or the 2010-2015 Plan of Action to Implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity, was in operation. This was adopted by the leaders of the ASEAN Member States and India at the 8th ASEAN India Summit held in Hanoi, Vietnam on 30 October 2010.

This was followed by the 3rd POA or the 2016-2020 Plan of Action to Implement the ASEAN India Partnership for Peace, Progress and Shared Prosperity. It aims to pursue the goals set forth in the POA for the next five years (2016-2020) and seeks to build on the achievements made in the implementation of the previous POA. Within this POA, the two sides had drawn a list of priority areas for the period 2016-

¹ Text of Delhi Declaration of the ASEAN-India Commemorative Summit to Mark the 25th Anniversary of ASEAN-India /Dialogue Relations, MEA website at https://asean.org/wp-content/uploads/2018/01/Delhi-Declaration_Adopted-25-Jan-2018.pdf Accessed 3 December 2018.

² Opening Statement by Prime Minister at the 12th India-ASEAN Summit, Nay Pyi Taw, Myanmar, November 12, 2014. Available at <http://mea.gov.in/aseanindia/SpeechStatementASEM.htm?dtl/22566/Opening+Statement+by+Prime+Minister+at+the+12th+IndiaASEAN+Summit+Nay+Pyi+Taw+Myanmar>

2018. In his Opening Statement at the 14th ASEAN-India Summit, at Vientiane, Laos on 8 September 2016, Prime Minister Modi stated that “the ASEAN India Plan of Action for the period 2016-2020 has served us well in fulfilling our objectives. We have already implemented 54 out of 130 activities identified in the Plan of Action.” This number has since increased to 70.³

The 2010-2015 POA laid out three broad areas of cooperation — Political and Security Cooperation; Economic Cooperation and Socio-Cultural Cooperation. It provides a clear follow-up mechanism “to review the progress of implementation of the Plan of Action through the existing mechanism of the ASEAN-India Dialogue Relations” and provides for submission of progress reports on the implementation to the annual ASEAN-Post Ministerial Conference with India (PMC+1 session) and the annual ASEAN-India Summit.

Political and Security Cooperation

PM Modi speaking during the ASEAN-India Breakfast Summit in Singapore on 15 November 2018 (chaired by Singapore PM Lee Hsien Loong) stressed on some of the main tenets of India's Act East Policy — ASEAN Centrality; ASEAN's consensus driven approach; support for an open and inclusive regional security architecture (based on ASEAN centrality), besides the economic elements of the relationship.

India and ASEAN are cooperating in the following security-related fields:

- (i) Counter-terrorism: by sharing best practices and information, law enforcement and capacity building (under existing ASEAN-led mechanisms);
- (ii) Cyber-security capacity building, policy coordination and CBMs, including by implementing ASEAN Cybersecurity Cooperation Strategy and ARF Work Plan on Security of and in the Use of Information and Communication Technologies;
- (iii) Maritime Cooperation between India and ASEAN takes place via existing ASEAN-led mechanisms like the Expanded ASEAN Maritime Forum (EAMF) for the purpose of better coordination in search and rescue, to prevent and manage accidents/incidents at sea in accordance with ICAO and IMO guidelines.

India participated in the 3rd EAMF in Danang, Vietnam, on 27-28 August 2014. India has also successfully organised the 2nd ASEAN-India Workshop on Blue Economy in New Delhi on 18 July 2018. India has strengthened its bonds of maritime cooperation and connectivity with the region. India's vision of Security and Growth for all in the Region (SAGAR) has been recognised by

³ 'Brief on ASEAN-India relations', <https://www.indmissionasean.com/asean-india>

ASEAN. There is congruence of views on the importance of a rules-based order in the region, including through upholding international law such as the 1982 United Nations Convention on the Law of the Sea. This has meant a reaffirmation of the “importance of maintaining and prioritising peace, security, stability, safety and freedom of navigation, in and overflight above, the SCS”.

Modi joined EAS leaders in the adoption of five EAS Statements, viz., Foreign Terrorist Fighters and Returnees; Marine Plastic Debris; Smart Cities; Safe and Secure use of Nuclear and Radioactive Materials; ICT and Digital Economy. In particular, Modi hoped that the understanding on counter-terrorism would move beyond statements to more practical cooperation.⁴

India's support for ASEAN centrality was clearly evident when it elevated the relationship to the Strategic Partnership level following the ASEAN-India Vision Statement 2012. India actively participates in ASEAN-led mechanisms to address security challenges (both traditional and non-traditional). This includes the ASEAN Regional Forum (ARF), ASEAN PMC+1 with India, East Asia Summit (EAS), ASEAN Defence Ministers' Meeting Plus (ADMM-Plus), ASEAN-India Senior Officials' Meeting and ASEAN-India Joint Cooperation Committee. In addition, it participates in other sub-regional forums like Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC), and the Mekong-Ganga Cooperation (MGC) forum.⁵

India has supported and promoted the shared values and norms as enshrined in the ASEAN Charter, the Treaty of Amity and Cooperation in Southeast Asia (TAC) and the EAS Declaration on the Principles of Mutually Beneficial Relations (Bali Principles), for developing regional security architecture. To this end, India has a dedicated Mission to ASEAN in Jakarta. Then Prime Minister Dr. Manmohan Singh announced India's decision to appoint a separate Ambassador to ASEAN at the 11th India-ASEAN Summit in Brunei on October 1, 2013. Based on this decision, Mr. Suresh K. Reddy became the first Resident Ambassador of Indian Mission to ASEAN on January 15, 2015 and the Mission started functioning from its new Chancery premises in Jakarta from January 2015 onwards. India set up its own ASEAN-India Centre, and for several years held the annual Delhi Dialogue conference.

⁴ 'Visit of Prime Minister to Singapore to attend ASEAN-India Breakfast Summit, the 13th East Asia Summit and related meetings', MEA website, at <https://mea.gov.in/press-releases.htm?dtl/30601/Visit+of+Prime+Minister+to+Singapore+to+attend+ASEAN+India+Breakfast+Summit+the+13th+East+Asia+Summit+and+related+meetings>

⁵ For detail of the progress in the implementation of the 2nd POA see, 'Executive report on the progress in the implementation of the plan of action to implement the ASEAN-India partnership for peace, progress and shared prosperity', <http://aic.ris.org.in/node/689>

Economic Cooperation

India was ASEAN's sixth largest trading partner in 2017. Trade between India and ASEAN was over \$ 81 billion in 2017-2018 and constitutes 10 per cent of India's total trade. India's strength lies in its services sector. The ratification process of the Agreement on Trade in Services under the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and India is already completed. The aim of the agreement is to "fully tap the potential, offered by the vast markets of ASEAN and India through the effective implementation of the ASEAN-India Free Trade Area, and the operationalization of the ASEAN-India Trade and Investment Centre."⁶

It is hoped that the RCEP negotiations, which are in their final stage and expected to be concluded in 2019, will result in the world's largest trading bloc (40 per cent of global GDP). Domestic manufacturers and also some international trade experts in India advise cautious approach to RCEP given the fact that India already faces trade deficit with many RCEP members, including with China (\$ 63 billion), South Korea (\$ 11.96 billion), Indonesia (\$ 12.47 billion), and Australia (\$ 10.16 billion). The aim is of course, to foster a "global trade environment that is open, mutually beneficial, rules based and inclusive."⁷

India is committed to connectivity (land, air and maritime) cooperation with ASEAN in line with the Masterplan on ASEAN Connectivity 2025, which was adopted on 6 September 2016. Once the India-Myanmar-Thailand Trilateral Highway Project is completed, it could be extended to Cambodia, Laos, and Vietnam. Economic Research Institution (ERIA), Jakarta is expected to undertake a feasibility study on this extension. India has emphasized the importance of trade and investment in enhancing prosperity and security of the Indo-Pacific. Prime Minister Modi clearly articulated in Singapore recently India's commitment to the early conclusion of a balanced and comprehensive RCEP.⁸

Conclusion

ASEAN is faced with many new challenges today. The region is faced with the US-China trade war (although the prevailing tension may have cooled following the Trump-Xi meeting at G-20). The leadership within ASEAN also presents a challenge. ASEAN can only be as good as the sum of its Members. After Singapore, it is Thailand's turn to chair ASEAN. How would ASEAN cope with growing Chinese influence in the region?

⁶ Breakfast Summit Chairman's Statement, n. 1.

⁷ Ibid

⁸ 'Visit of Prime Minister to Singapore to attend ASEAN-India Breakfast Summit, the 13th East Asia Summit and related meetings', MEA website, at <https://mea.gov.in/press-releases.htm?dtl/30601/Visit+of+Prime+Minister+to+Singapore+to+attend+ASEANIndia+Breakfast+Summit+the+13th+East+Asia+Summit+and+related+meetings>

The problem is further compounded by the fact that Thailand has not remained untouched by Chinese influence and is coping with its own internal democratic transition. From playing host to a large number of Chinese tourists, to ordering Chinese submarines, to reviving hopes for Kra Canal as an integral part of Chinese Belt and Road Initiative (BRI), the quiet Chinese moves can be seen. After Thailand, it will be Vietnam's turn. Hanoi would like ASEAN to play a more proactive role given the fact that Vietnam has faced continuous Chinese threats to its sovereignty in the South China Sea.

Given the above dynamics, some concerned nations are paying greater attention to other meetings on the sidelines of the ASEAN Summit. The third round of Quadrilateral Security Dialogue or Quad, between the US, Australia, Japan and India, was held with senior officials participating. The meeting emphasised the centrality of ASEAN. An upgradation of the Quad with more political content to the mechanism provided by participation of political leaders at the highest level may not be very likely in the near future. The most viable alternative on the security front seems to be the East Asia summit, along with the ADMM-Plus mechanism.

On the economic front, when the Trans Pacific Partnership negotiations failed with the withdrawal of the United States, it is the RCEP which holds greater hope for the regional countries. And the 2nd RCEP Summit held on the sidelines of the ASEAN meetings on 14 November appears to indicate the emergence of a regional economic architecture by 2019.

Table

ASEAN-India Summits and East Asia Summits:

Past, Present and Future (projected)

Year	Venue	ASEAN-India Summit	East Asia Summit
2020	Vietnam	18 th	15 th EAS
2019	Thailand	17 th	14 th EAS
2018 Nov	Singapore	Breakfast Informal Summit	13 th EAS 14-15 Nov
2018 25 Jan	New Delhi	Commemorative Summit	
2017 14 Nov	Manila, Philippines	15 th	12 th EAS, Pasay, Ph. 13-14 Nov

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2016 08 Sept	Vientiane, Laos	14 th	11 th 6-8 Sep
2015	Kuala Lumpur, Malaysia	13 th	10 th 21-22 Nov
2014	Nay Pyi Taw, Myanmar	12 th	9 th 12-13 Nov
2013 9-10 Oct	Bandar Seri Begawan, Brunei	11 th	8 th 9-10 Oct
2012 20-21 Dec	New Delhi	Commemorative Summit	
2012 19 Nov	Phnom Penh, Cambodia	10 th	7 th 19-20 Nov
2011 19 Nov	Bali, Indonesia	9 th	6 th 18-19 Nov
2010 30 Oct	Hanoi, Vietnam	8 th	5 th 30 Oct
2009 24 Oct	Thailand	7 th	4 th 25 Oct
2007	Singapore	6 th 21 Nov	3 rd EAS 21 Nov
2007 14 Jan	Cebu, Philippines	5 th	2 nd EAS 15 Jan
2005 13 Dec	Kuala Lumpur, Malaysia	4 th	1 st EAS 14 Dec 2005
2004 30 Nov	Vientiane, Laos	3 rd	
2003	Bali, Indonesia	2 nd	
2002 5 Nov	Phnom Penh, Cambodia	1 st	

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