Asean and India: Building bridges to the future

India and South-east Asia are already connected to each other by geography, history and culture. There is great potential to strengthen these links through greater trade flows and better connectivity, including in cyberspace.

Tommy Koh
For The Straits Times

Something unusual happened at India’s 60th Republic Day Parade, in New Delhi, on Jan 26 this year. Usually, the parade would have one chief guest, such as Emeritus Senior Minister Goh Chok Tong in 2004. On this occasion, however, Prime Minister Narendra Modi invited 10 leaders of Asean to be the joint chief guests.

On the previous day, India and Singapore co-chaired an Asean-India Commemorative Summit, to celebrate the 25th anniversary of ties. The summit adopted the Delhi Declaration, with its commitment to deepen and strengthen ties in many areas.

The relationship between Asean and India can be described as warm, substantive, comprehensive and trouble-free. There is a high comfort level in the relations between the leaders of the two sides.

The relationship is supported by mutual trust and goodwill. It is also anchored on commerce, connectivity and culture.

Asean and India are important economic partners. Asean has a market of 630 million consumers. India has a market of 1.25 billion consumers. Asean is growing at about 6 per cent a year. India is growing at about 7 per cent.

Asean is the world’s seventh-largest economy and could become the fourth-largest by 2030. India could be the world’s third-largest economy, after China and the United States, by 2035. At present, the Asean economy ($2.6 trillion or $3.3 trillion) is slightly larger than the Indian economy ($2.2 trillion).

Asean and India have a free trade agreement. Trade flows have expanded from US$1.2 billion in 1993 to US$34.8 billion in 2016. Asean is India’s fourth-largest trading partner. India is Asean’s seventh-largest trading partner. There is, however, room for growth as India accounts for only 2.8 per cent of Asean’s external trade.

At present, Asean and India, together with China, Japan, South Korea, Australia and New Zealand, are negotiating a mega free trade agreement called the Regional Comprehensive Economic Partnership Agreement or RCEP. At the commemorative summit, Asean’s leaders appealed to Mr Modi to help conclude the negotiations this year.

India is hesitant for two reasons. It fears that RCEP will worsen India’s trade deficit with China. The feeling in New Delhi is that India has opened its market to Chinese exports but China has not reciprocated.

The second concern is that trade in services should be liberalised in tandem with trade in goods. A hope for movement in New Delhi. India’s leaders should remember that trade is strategy. Investment is another important area of engagement. India’s foreign direct investment in Asean has been growing.

In the period 2010 to 2016, India invested US$34.6 million in Asean. Asean’s investment in India (mostly from Singapore) has also been growing. It is the second-largest investor in India, after Mauritius. India has over 6,000 companies in Singapore.

Tourism is also growing. In 2016, over three million Indians visited Asean. In the same year, over seven million tourists from Asean visited India.

We would also like to connect Asean and India digitally.

Asean’s AEC can facilitate digital connections among the 630 million citizens of India. Asean wants to do the same with its 630 million citizens.

If we can connect the two populations digitally, this will be a boon, for e-commerce, e-payment and financial technology.

India intends to build 100 smart cities. Singapore is helping Andhra Pradesh to build its new capital, Amaravati, which will be both a smart and sustainable city.

India is also a network of smart cities. There is much scope for cooperation and mutual learning.

Finally, the providers should also cooperate to develop an ecosystem, similar to what is in the Silicon Valley, to promote new ideas, new technology and new business.

**CULTURE**

India and South-east Asia are connected to each other by geography, history and culture. The Indian Ocean connects India with several Asean countries, namely, Myanmar, Thailand, Malaysia, Singapore and Indonesia. They belong to the Indian Ocean Rim Association (IORA). IORA’s agenda is to promote commerce and cooperation, sustainability and the Blue economy.

Historically, relations between India and South-east Asia go back 2,000 years. The people of the two regions have been trading with one another for centuries. Professor Anthony Reid’s excellent book, South-east Asia: The Age Of Commerce, captures part of that story.

The cultural connections between India and South-east Asia are deep and broad. Hinduism and Buddhism came to South-east Asia from India. The Indian languages Sanskrit and Pali have influenced the scripts of several of the region’s languages. Indian literature, court rituals, food and fashion have been assimilated into the region’s culture.

Akgar War, Bagan, Borobudur and Prambanan were inspired by Hinduism and Buddhism.

India’s influence lives on in contemporary South-east Asia, as exemplified by the country’s names, such as Cambodia and Laos. India’s cultural influence is evident in the popular Ramayana and Mahabharata, which have been translated into the region’s languages.

For all these reasons given above, the Asean-India relationship will grow from strength to strength.

The Delhi Declaration contains a list of sectors for future cooperation.

Prime Minister Lee Hsien Loong has written that “if both sides use our historical and cultural links to tackle today’s challenges and build bridges for the future, our youth and next generation stand to gain from these.

Mr Modi has said that “in Delhi, Asean and India reviewed our pledge for the journey ahead”.

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