

India and Asean: Four bridges to closer ties

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In the days of yore, Indian culture and influence spread across various parts of South-east Asia, mostly by the sea route.

Fast forward to the present and connectivity – via land, sea and air – has become the new buzzword in Asean-India ties. The theme of the recently concluded Delhi Dialogue was “Strengthening India-Asean Maritime Cooperation”.

This drive to better connect the two regions comes amid another development: the increased focus on India in geopolitical calculations. The increasing use of the term “Indo-Pacific” in both official and scholarly circles reflects this interest. It is noteworthy too that the US Pacific Command has now been officially renamed as the US Indo-Pacific Command.

New Delhi’s interest in the maritime domain has grown over the years and is reflected in the nature of some of its engagement with Asean members.

During Indian Prime Minister Narendra Modi’s swing through Indonesia, Malaysia and Singapore in the middle of this year, New Delhi signed an agreement with Jakarta for the development of Sabang port in Indonesia, which lies at the mouth of the Strait of Malacca. Sabang directly faces the Indian Ocean and is also close to the South China Sea.

Though the details are being worked out, the important thing to note is that Sabang is a deep-sea port suitable for both civilian and military vessels. It comes at a time when both India and Indonesia are increasingly concerned by China’s growing naval might and muscular foreign policy.

In his address at the Shangri-La Dialogue in Singapore earlier this year, Mr Modi noted that “the Indian Ocean has shaped much of India’s history”. He said: “It now holds the key to our future. The ocean carries 90 per cent of India’s trade and our energy sources.”

While New Delhi does not have a

stake in the South China Sea dispute, the state-owned Indian oil company ONGC Videsh is drilling for oil off the coast of Vietnam. The maritime domain will therefore be key for India as it looks to shore up its “Act East” policy in the Asean region.

Even as it reaches out to Asean, India is also pushing ahead with efforts to improve maritime connectivity along its own extensive coastline. Its Sagarmala project, an ambitious programme to develop a string of ports along its coast, offers another potential area for closer collaboration with Asean members. Singapore stands to gain from this initiative, given its expertise in port development and management.

NOT SMOOTH SAILING

But the seas are not the only connections between India and South-east Asia. Efforts should be stepped up to improve other links – land and air – as well. The various connectivity initiatives could also be better welded together into a larger whole. It is noteworthy that India has much better air connectivity with some Asean countries like Singapore and Thailand, than with others. Airlines from Asean members should look at more Tier-II and Tier-III Indian cities, while private Indian carriers should look at flying beyond the capital cities in Asean.

As for the land links, the India-Myanmar-Thailand (IMT) trilateral highway is expected to be operational by December next year. There are also plans to extend it all the way to Vietnam later on – potentially giving India access to the South China Sea.

While there have been multiple delays in the execution of key projects like the IMT trilateral highway, one must also take into account the fact that as three different countries are involved in the execution of this project, coordination can be a tricky issue. There are also issues involving land acquisition and compensation.

Another project which has seen multiple delays is the India-funded Kaladan Multi-Modal Transit Transport Project that will connect

the eastern Indian seaport of Kolkata with the Sittwe seaport in Myanmar. Originally scheduled for completion in 2014, it is now expected to be ready only by 2019 to 2020. Once this is operational, it would provide much-needed sea access to India’s landlocked north-eastern states, facilitating a greater flow of trade between them and Asean.

In addition to the traditional trio of land, sea and air links, there is now the promise of a fourth: digital connectivity. In the light of India’s strength in the field of information technology, digital connectivity is a low-hanging fruit, which both India and Asean should strive to pluck. There are many potential areas to explore: fintech platforms, e-payment systems and the development of smart cities.

New Delhi has extended a line of credit of US\$1 billion (S\$1.37 billion) to Asean countries to promote physical infrastructure and digital connectivity. The next phase of Asean-India ties should focus on the delivery of the key projects which India is involved in. While India cannot match China in terms of the scale of the projects being executed by Chinese firms, New Delhi cannot be seen as lackadaisical either when it comes to the successful completion of projects.

One of the highlights of the recent Delhi Dialogue was the participation of ministers and officials from India’s north-eastern region, which shares a land border with South-east Asia. New Delhi is putting renewed emphasis on infrastructure development within north-east India. As Assam, Arunachal Pradesh and other states that make up the region are better linked, the hope is that the north-east will see faster growth, which would in turn spur greater trade and investment between India and Asean.

In 2016, India accounted for only 2.6 per cent of Asean’s external trade. Though Asean-India trade stood at around US\$71.6 billion in 2016-2017, it is much less than Asean-China trade, which stood at about US\$514 billion last year.

There is certainly much more room for growth. As India and Asean embark on the next phase of their ties, connectivity, in all its forms, could well become the pivot around which the ties will revolve.

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