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दिल्ली वार्ता VII

DELHI DIALOGUE VII

आसिआन-भारत: 2015 के पश्चात
कार्यसूची स्वरूप

ASEAN-India: Shaping the
Post-2015 Agenda

Editors
Rumel Dahiya
Udai Bhanu Singh

idsa

INSTITUTE FOR DEFENCE
STUDIES & ANALYSES

रक्षा अध्ययन एवं विश्लेषण संस्थान

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NEW DELHI



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Rumel Dahiya and Udai Bhanu Singh (Eds)

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Branch

Flat No.213, Athena-2,

Clover Acropolis,

Viman Nagar,

Pune-411014

Email: pentagonpresspune@gmail.com

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No. 1, Development Enclave,

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Delhi Dialogue Partners and Associates

The Delhi Dialogue process, which first began in 2009, has evolved over the years with new organisations and institutions joining it. As a result, the latest edition of the Delhi Dialogue was organised by the Ministry of External Affairs, Government of India, in partnership with the Institute for Defence Studies and Analyses (IDSA), the Federation of Indian Chambers of Commerce and Industry (FICCI), the ASEAN-India Centre at RIS, the Indian Council of World Affairs (ICWA), Institute of South Asian Studies (ISAS), SAEA Group Research, Singapore, Economic Research Institute of ASEAN and East Asia (ERIA), Jakarta, ISIS, Malaysia; and ISIS Thailand.

Ministry of External Affairs, Government of India

Recognising the need for greater engagement with the ASEAN region, India's Ministry of External Affairs (MEA) has been supporting the Delhi Dialogue since 2009. Today the summit is in its seventh edition and is now globally recognised as the premier India-ASEAN Track 1.5 platform for discussion on politico-security and economic issues of mutual importance. The Ministry's participation in the form of Track I meetings extends the purpose of greater cooperation between India and ASEAN.

Institute for Defence Studies and Analyses, New Delhi

A non-partisan, autonomous body dedicated to objective research and policy relevant studies on all aspects of defence and security, IDSA serves as a forum to debate important aspects of national and international security. IDSA has been associated with Delhi Dialogue as the facilitator of the Academic session of the Dialogue since 2014. The Track II session, being hosted by IDSA, will facilitate exchange of ideas and policy analyses on imperatives, challenges and

solutions for enhancing ASEAN-India relationship, among scholars and bureaucrats of India and ASEAN member nations.

Federation of Indian Chambers of Commerce and Industries, New Delhi

A non-government, not-for-profit organisation, FICCI is the voice of over 2,50,000 public and private sector companies, including small and medium enterprises and multinational corporations. The federation has been part of the Delhi Dialogue since its inception in 2009. In its run-up activities to the main event, FICCI's North East Advisory Council organised the North East Connectivity Summit on 27-28 November 2014 in Guwahati. The summit highlighted the need for development of inland waterways to provide North East India effective connectivity with the outside world and also to increase inland waterways transport cargo trade between India and ASEAN nations.

ASEAN-India Centre at RIS, New Delhi

Established at the Research and Information System for Developing Countries, the ASEAN India Centre has been working to strengthen India's strategic partnership with the Association of Southeast Asian Nations. In its run-up activities, the AIC organised 'Seminar on Joining Global Production Networks: India's Opportunities and ASEAN-India Cooperation' on 11 December 2014 and 'India-ASEAN Conference on Cyber Security' on 19-20 January 2015. The Centre has published 'ASEAN-India Development and Cooperation Report 2015' which provides a comparative analysis of the global and regional economies; examines the impact and implications of India-ASEAN integration, assesses policy imperatives and challenges, and discusses themes central to the economic sustainability of the region.

Economic Research Institute for ASEAN and East Asia (ERIA), Jakarta

Based in Jakarta, ERIA's main task has been to provide the policy analyses and recommendations to Leaders/Ministers in strong partnership with the ASEAN Secretariat and existing research institutes. In its run-up activities up to Delhi Dialogue VII, the institute organised a one day National Symposium on 3 September 2014 in New Delhi. The theme of the Symposium was

‘Enhancing India’s Competitiveness and India-East Asia Linkages: Improving Institutional and Physical Connectivity, Harnessing India’s Demographic Dividend, and Raising India’s Comparative Advantage in Manufacturing.’ The conference focused on bridging the gaps between Indian and East Asian economies by focusing on the issues of building enabling infrastructure, increasing connectivity, and leveraging the manufacturing potential of the Indian Subcontinent and ASEAN region to boost socio-economic growth.

Indian Council of World Affairs, New Delhi

Established in 1943 by a group of Indian intellectuals as a think tank, ICWA is recognised as an institute of national importance by the Parliament of India and is devoted exclusively for the study of international relations and foreign affairs. In its run up activities, ICWA hosted a seminar on ‘Integrating Northeast in India’s Act East Policy’ on 23 February 2015. It included speakers from the eight North East states, eminent academicians, bureaucrats and diplomats in the deliberations. The discussion focussed on issues of trade, connectivity and tourism as well as cooperation in social, cultural and academic fields with an objective to provide policy recommendations to the Ministry of External Affairs on the subject. It centred on the Look East Policy and the Act East Policy.

Institute of South Asian Studies, Singapore

Dedicated to research on contemporary South Asia, ISAS has developed research outputs and conducted high-level consultations to understand the dynamics of India’s bilateral and multilateral diplomatic relations with Southeast Asian countries. In its run up activities to Delhi Dialogue VII, ISAS conducted a roundtable workshop with the Institute of Strategic and International Studies in Kuala Lumpur on 21 January 2015 focusing on radicalisation in South Asia and Southeast Asia. The institute also hosted a dialogue with HRH Princess of Thailand, Maha Chakri Sirindhorn on India-Southeast Asian engagements on 18 January 2015.

Institute of Strategic and International Studies, Malaysia

As an autonomous, not-for-profit research organisation, ISIS Malaysia has a diverse research focus, which includes economics, foreign policy, security

studies, nation-building, social policy, technology, innovation and environmental studies. It also undertakes research collaboration with national and international organisations in important areas such as national development and international affairs. ISIS Malaysia is also a continuous contributor towards improvement of ASEAN-India relations and a partner of Delhi Dialogue VII.

Institute of Security and International Studies, Thailand

The Institute of Security and International Studies, Thailand carries out research on traditional and non-traditional security issues affecting the security of Thailand, Southeast and the Asia Pacific region. Past research on security included Thai counter-insurgency policies, ethnic conflicts, the environment and competition for natural resources, as well as decision-making on Thai arms procurement.

SAEA Group Research, Singapore

Set up in 2006, SAEA Group Research provides incisive research and financial analysis services on Asian markets and Asian issues. The group specialises in the areas of infrastructure, off-shore financing and airport management. SAEA Group also has partnerships with various think-tanks on the latest economic, political and security issues in Asia. SAEA Group is the founding partner of Delhi Dialogue, which was established in 2009, and is now recognised as one of the premier India-ASEAN-centric Track 1.5 platform for discussions on regional and international issues of mutual importance.

All India Association of Industries, Mumbai

The All India Association of Industries has over 1,500 members and through its affiliates it represents over 50,000 industries. Nearly 70 per cent of its members are from the SME sector.

AIAI acts as a catalyst for industrial growth and investment promotion. It represents its members effectively on various international, national and regional level panels and also with financial institutions on economic, trade and fiscal issues.

Associated Chambers of Commerce and Industry of India, New Delhi

The Associated Chambers of Commerce and Industry of India has more than 400 Chambers and Trade Associations in its fold and serves more than 4,50,000 members from all over India.

Today, ASSOCHAM has emerged as the fountainhead of knowledge for Indian industry. The Chambers is seen as a forceful, proactive, forward looking institution equipping itself to meet the aspirations of corporate India in the new world of business. It is working towards creating a conducive environment of Indian business to compete globally.

Confederation of Indian Industry, New Delhi

As a non-government, not-for-profit, industry-led and industry-managed organisation, CII plays a proactive role in India's development process.

CII has been actively engaging with the South East Asia region for the last two decades. Recently, CII organised the 2nd India-CLMV Business Conclave on the theme 'ASEAN-India Economic Engagement: The Way Forward' in New Delhi on 11-12 December 2014. The purpose of the conclave was to create a platform for the business enterprises and government officials from the two regions to establish linkages and seek opportunities for cooperation in trade and investments.

Indian Chamber of Commerce, Kolkata

The Indian Chamber of Commerce represents some of the most prominent and major industrial groups in India. ICC has played a key role in building synergies between India and its Asian neighbours like Singapore, Indonesia, Bangladesh, and Bhutan through trade and business delegation exchanges, and large investment summits. In its run-up activities to Delhi Dialogue VII, ICC organised the North East India-ASEAN Trade Show 2014 on 22-27 February, 2014 in Assam and held 'Kolkata Dialogue' on 'Look East' to 'Act East': New Frontiers in Trade, Investment & Business Cooperation on 9 January 2015 in Kolkata.

Indian Council for Research and International Economic Relations, New Delhi

As an autonomous, policy-oriented, not-for-profit, economic policy think tank, ICRIER's main focus is to enhance the knowledge content of policy making by undertaking analytical research that is targeted at informing India's policy makers and also at improving the interface with the global economy. ICRIER's Board of Governors include leading academicians, policymakers and representatives from the private sector. In its run up activities for Delhi Dialogue VII, it organised a discussion on 5 March 2015 on 'India and the Regional Comprehensive Economic Partnership.

About the Contributors

SUSHMA SWARAJ

External Affairs Minister, Government of India

A seven-time Member of Parliament and three times Member of the Legislative Assembly, Mrs Sushma Swaraj is an Advocate by profession. In April 1990, she was elected as a Member of the Rajya Sabha and remained there until she was elected to the 11th Lok Sabha from South Delhi constituency in 1996. She was Union Cabinet Minister for Information and Broadcasting in the first Atal Bihari Vajpayee Government in 1996. She was re-elected to 12th Lok Sabha from South Delhi Parliamentary constituency for a 2nd term in 1998. In the second Vajpayee Government, she was sworn in as Cabinet Minister for Information and Broadcasting with additional charge of the Ministry of Telecommunications from 19 March to 12 October 1998. She resigned from the Union Cabinet to take over as the first woman Chief Minister of Delhi in October 1998.

Mrs. Swaraj resigned her Assembly seat to return to national politics and was Minister for Information & Broadcasting from September 30, 2000 to January 29, 2003 and Minister of Health & Family Welfare and Parliamentary Affairs from January 2003 until May 2004.

Mrs. Swaraj won the 2009 election to the 15th Lok Sabha from the Vidisha Lok Sabha constituency in Madhya Pradesh and became Leader of Opposition in the 15th Lok Sabha on 21 December 2009 and retained this position till May 2014. She was re-elected to the 16th Lok Sabha from Vidisha in 2014.

U TIN OO LWIN

Deputy Minister in the Ministry of Foreign Affairs, Union of Myanmar

H.E. U Tin Oo Lwin is the Deputy Minister in the Ministry of Foreign Affairs, Union of Myanmar. He served in the Defence Services in various capacities up to the rank of Brigadier-General till 2005. He then joined the Ministry of Foreign Affairs first, as Ambassador Extraordinary and Plenipotentiary to the Republic of

Sri Lanka, then as Ambassador Extraordinary and Plenipotentiary to the Republic of South Africa and then as Ambassador Extraordinary and Plenipotentiary to the Republic of Singapore. He is serving as Myanmar's Deputy Minister since 2013.

YONG CHANTHALANGSY

Director-General, Institute of Foreign Affairs, Ministry of Foreign Affairs, Lao PDR

Mr Yong Chanthalangsy is the Director-General, Institute of Foreign Affairs, Ministry of Foreign Affairs, Lao PDR. He received a Diploma of Journalism in 1997 from the Ecole Supérieure de Journalisme de Paris (1973-1975), the Center de Formation des Journalistes de Paris (1975-1977), and the India Institute of Mass-Communication (1980-1981). He used to be an official interpreter for the Government of the Lao PDR from 1978-2008, and worked at the Lao New Agency for 20 years (1977-1997). Yong Chanthalangsy, was a senior officer at the FCB of the ASEAN Secretariat in 1998-2002, worked as Director-General of the Press Department and a spokesman of the Ministry of Foreign Affairs in 2002 before he was assigned to be Ambassador Permanent Representative of the Lao PDR to UNOG and Ambassador of the Lao PDR to Switzerland, Greece, Turkey, Italy, Malta and Cyprus for five years (2009-2013). Recently, he has assumed a new position as Director-General of the Institute of Foreign Affairs since 2014. Mr. Yong Chanthalangsy possesses other professional skills, like translation and interpretation, and can also speak three foreign languages—English, Vietnamese and French.

AJANTA NEOG

Minister of Planning and Development, Government of Assam

Ms Ajanta Neog currently holds the position of Minister of Planning and Development, in the state of Assam in India and has been in the last three Cabinets. She has served as Member of the Legislative Assembly of India from the Golaghat constituency in Assam. She is a member of the Indian National Congress.

TON SINH THANH

Vietnam's Ambassador in India

Vietnam's current Ambassador in India. Born in 1959 in Nghe An Province of Vietnam. He has a Masters degree in International Relations from Carleton

University, Canada and a Bachelors degree from Ha Noi Diplomatic Academy. He also has an advanced diploma in diplomacy from Ha Noi Diplomatic Academy and an advanced diploma in public management and political science from Ho Chi Minh National Academy of Politics and Public Administration. He is also fluent in English, Russian and French. The Ambassador has also served as Lecturer in the Diplomatic Academy in the Ministry of Foreign Affairs, besides rendering military service (1983-1985). He was Desk Officer, Department of South East Asia – South Pacific, Ministry of Foreign Affairs from 1990-1991. He was Third Secretary, then Second Secretary, Embassy of Vietnam in Singapore (1991-1995); Desk Officer, Department of South East Asia – South Pacific, Ministry of Foreign Affairs 1995-1996. He was Desk Officer, then Assistant Director-General, Department of Asia No. 2, Ministry of Foreign Affairs 1998-2001; Deputy Director-General, Department of Asia No. 2, Ministry of Foreign Affairs (2001-2003). He was posted to India from 2003 to 2007 as Minister Counsellor and Deputy Chief of Mission, Embassy of Viet Nam in India 2007-2008. He was Deputy Director-General, Department of Asia No. 2 (later renamed Department of South East Asia – South Asia – South Pacific), Ministry of Foreign Affairs (2007-2008). He served as Director-General, Department of Western Border, National Border Committee, Ministry of Foreign Affairs (2008-2011) Then from 2011-2014: he was Ambassador of Vietnam to Sri Lanka and from Oct 2014 – Present he has been Ambassador of Vietnam to India.

NABAM TUKI

Chief Minister, Arunachal Pradesh

Nabam Tuki is the 8th and current Chief Minister of Arunachal Pradesh. He replaced Jarbom Gamlin as chief minister on 1 November 2011. He belongs to the Indian National Congress. Before becoming the Chief Minister, Tuki served as a minister in many state cabinets.

FATIMA KARAN

Consulting Editor, Bloomberg TV

Ms. Fatima Karan is Consulting Editor, Bloomberg TV. She was earlier with CNBC-18. She has an abiding interest in international relations and the working of the United Nations system and has pursued her academic inclinations. Prior to joining the media she was a banker in London.

A.K.P. MOCHTAN

Deputy Secretary-General, ASEAN

H.E. Dr. A.K.P. Mochtan is the Deputy Secretary-General (DSG) of ASEAN for Community and Corporate Affairs Department from 2013 to 2016. He has held top positions in various international organisations. Immediately before joining ASEAN, he directed the Japan ASEAN Integration Fund (JAIF) Management Team, which managed over US\$500 million grants from the Government of Japan to support ASEAN integration and community building processes. Prior to his stint with JAIF, DSG Mochtan served for 13 years with the intergovernmental Asian Productivity Organisation (APO) based in Tokyo Japan including as its Administration and Finance Director. Within the United Nations system, Dr. Mochtan worked on human rights issues with the United Nations Transitional Authority in Cambodia (UNTAC) and Peace and Security programme with the United Nations University (UNU). H.E. Mochtan has also served as a lecturer and senior staff in prestigious academic institutions such as the University of Indonesia and the Centre for Strategic and International Studies Jakarta. DSG Mochtan obtained his PhD from the Graduate School of Public Administration, International Christian University, Tokyo, Japan.

DATO' RAMLAN IBRAHIM

Deputy Secretary-General (Bilateral Affairs) Ministry of Foreign Affairs, Malaysia

Dato' Ramlan Ibrahim is the Deputy Secretary-General (Bilateral Affairs) in the Ministry of Foreign Affairs in Malaysia.

SIMON WONG WIEKUEN

Deputy Secretary (International), Ministry of Foreign Affairs, Singapore

Simon Wong Wiekuen joined the Singapore Foreign Service in 1990 where he held the post of Country Officer/Western Europe (1990 to 1992) in the Policy, Planning and Analysis Directorate II. He then served as First Secretary in the Singapore Embassy in Seoul (1992 to 1995). Upon his return to the Ministry headquarters, he was appointed Senior Assistant Director of the Policy, Planning and Analysis Directorate III (1996 to 1997) and Deputy Chief of Mission (2000 to 2004) and subsequently as Acting Minister-Counsellor and Deputy Chief of Mission (2004 to 2005) in the Singapore Embassy in Beijing. He was appointed Director/Americas (2005 to 2007). He was also concurrently Director/Europe (2005 to 2006) and subsequently Director/Northeast Asia from April 2006. Prior

to taking up his current appointment, Mr. Wong was Ambassador (2009 to 2012) in the Singapore Embassy in Hanoi.

A. DIDAR SINGH

Secretary-General, FICCI

Dr. A. Didar Singh, a former civil servant of the Indian Administrative Service (IAS) took over as Secretary-General of FICCI from November 2012. He retired as Secretary to Government of India in the Ministry of Overseas Indian Affairs. Prior to this he served as Member (Finance), National Highways Authority of India; Joint Secretary in the Ministry of Heavy Industries; and before that in the Ministry of Commerce (Foreign Trade).

Dr. Didar Singh is also Secretary General of International Chamber of Commerce, India Chapter; Director-General, Indian Council of Arbitration and Director on Board of Invest India (a JV of FICCI and Govt. of India). He functions as Independent Director on the Boards of NTPC (National Thermal Power Corporation—a Central PSE) and of J&K State Overseas Employment Corporation (a State Enterprise). He is a Member on the Ad-Hoc Task Forces of Dept. of Performance Management as also of Dept. of Public Enterprises, Govt. of India.

Dr. Singh is a member of the Global Agenda Council on Migration of the prestigious World Economic Forum (WEF) and has been conferred an Award for his service to the Indian Diaspora by GOPIO International (Global Organisation of People of Indian Origin). In July 2014 he was awarded an Hony. PhD (DUniv) from the University of Birmingham.

Dr. Singh has a Bachelors and Masters from St. Stephens College, Delhi University; a Masters in Development Administration from Birmingham University, UK and has the distinction of having done the first PhD in India on the Policy and Administration of e-Commerce. Dr. Singh has given talks and lectures in over 30 Institutions and countries around the world.

TANASAK PATIMAPRAGORN

Deputy Prime Minister and Minister of Foreign Affairs, Thailand

General Tanasak Patimapragorn served as Chief of Defence Forces, Royal Thai Armed Forces; Chief of Joint Staff; Chairman of Advisory Board, Royal Thai Armed Forces Headquarters; Commanding General CTOC; Army Attaché, London; Commander Task Force 90. He has a Ph.D and a Masters Degree in

Public Administration and completed the National Defence Course, and the Command and General Staff Officer Course besides attending the Chulachomkiao Royal Military Academy during 2011-2014. He served as Member, Committee of Counter International Terrorism (COCIT) during 2011-2014 and Chairman, Sub-Committee of Counter International Terrorism (Sub-COCIT) during 2011-2014. He was Judge, Military Supreme Court in 2014 and Director-General, Royal Development Projects and Security Coordination Centre during 2008-2010.

General Tanasak Patimapragorn received The Most Exalted Order of Paduka Keberanian Laila Terbilang Yang Amat Gemilang Darjah Pertama (DPKT) from His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam. He was also decorated with Darjah Utama Bakti Cemerlang (Tentera) from the Republic of Singapore in 2013; the Bintang Yudha Dharma Utama from Indonesian Government in 2013; and the Honorary Malaysian Armed Forces Order for Valour (First Degree) Gallant Commander of Malaysian Armed Forces in 2012.

ABDURRAHMAN MOHAMMAD FACHIR

Cabinet Minister in the Office of the President of the Republic of Indonesia

H.E. Abdurrahman Mohammad Fachir joined MFA in 1984 and attended Foreign Service School for one year. In September 2007, he became the Ambassador Extraordinary and Plenipotentiary of the Republic of Indonesia to the Arab Republic of Egypt and completed term of office in June 2011. He became the Director-General for Information and Public Diplomacy in 2011. In March 2014 he became the Ambassador Extraordinary and Plenipotentiary of the Republic of Indonesia to the Kingdom of Saudi Arabia and completed term of office in October 2014. He then became the Vice Minister for Foreign Affairs of the Republic of Indonesia, 'Working Cabinet' 2014-2019.

HANG CHUON NARON

Minister of Education, Youth and Sport and the Permanent Vice-Chairman of the Supreme National Economic Council (SNEC), Royal Government of Cambodia

H.E. HANG Chuon Naron worked in various diplomatic missions and research institutions as a political and economic analyst. Since 1999, he held various positions at the Ministry of Economy and Finance, such as Research Coordinator of the Economic Advisory Team and First Deputy Director of Budget and Financial Affairs Department. Then he was appointed Deputy Secretary General in charge of Policies, including economic, fiscal and financial policies, ASEAN,

financial industry, economic analysis as well as responsible for coordination with the IMF and the World Bank. He held the position of Permanent Secretary of the Ministry of Economy and Finance from 2004 to 2010. He served as member or chair of the Board of a number State-owned companies and research institutes, such as CDRI, the Learning Institute and Youth Star. He represented Cambodia at the ASEAN and ASEAN+3 Finance and Central Bank Deputies Meetings between 2000 and 2010. He represented Cambodia at the Meetings of G20 Finance Ministers and Central Bank Governors during Cambodian chairmanship of ASEAN in 2012. He also coordinated the policy dialogues between the Cambodian Ministry of Economy and Finance and the Asian Development Bank (ADB), the International Monetary Fund (IMF) and the World Bank.

ANIL WADHWA

Secretary (East), Ministry of External Affairs, Government of India

Mr. Anil Wadhwa has been a member of the Indian Foreign Service since July 1, 1979. His previous diplomatic assignments include serving as Third Secretary in the Commission of India, Hong Kong (Sep.1981 to Sep.1983); Second Secretary / First Secretary in Embassy of India, Beijing (Nov.1983 to Feb.1987); Under Secretary / Deputy Secretary in Ministry of External Affairs, New Delhi (Feb.1987-May 1989); UN Disarmament Fellow in Geneva (July-Nov.1989); First Secretary (Disarmament) at the Permanent Mission of India in Geneva (Dec.1989-Dec.1992); Counsellor in Embassy of India, Beijing (Jan.1993 to Jul.1993); Director/Joint Secretary on deputation to the Provisional Technical Secretariat and later the Technical Secretariat for the Organisation for the Prohibition of Chemical Weapons (OPCW) in The Hague (July 1993-July 2000); Chief Adviser, Ministry of External Affairs (Earthquake Relief) in Gujarat State, (Dec.2000 to Jan.2001); and Joint Secretary, Central and Eastern Europe, Ministry of External Affairs, New Delhi (Mar.2001 to Feb.2004).

Mr. Anil Wadhwa has served as the Indian Ambassador to Poland (March 2004 to August 2007), to the Sultanate of Oman (August 2007 to September 2011), and to the Kingdom of Thailand (Nov 2011 to Jan 2014). He holds a Masters Degree in History with specialisation in Chinese history and Medieval Indian history and architecture.

JYOTSNA SURI

President, FICCI, Chairperson & Managing Director, Bharat Hotels Limited

Dr. Jyotsna Suri is a multifaceted personality and is known for promoting Indian tourism globally. Her social initiative ‘Project Disha’ assists school students and local youth get access to “quality education leading to employment”. Dr Suri holds various portfolios with Industry Associations—President of FICCI; Chairperson of FICCI Tourism Committee; only Indian woman member on the International Executive Committee of WTTC; Founder member of WTTC (II); and Executive Member of HAI. Awards and recognition conferred upon Dr Suri include: Listed amongst the Top 50 Business Power Women in Asia by *Forbes Asia* (2014); Listed amongst the Top 50 Power women in India by *Verve* magazine (2014); Listed amongst the Top 20 Power Women in India by *Femina* magazine (2014); Asia’s Leading Woman in Hospitality Award at the Women in Leadership (WIL) Asia Awards (2012); Listed amongst the 25 Most Powerful Women in Business (2011 & 2012) and amongst the 20 Most Powerful Women in India (2009) by *Business Today*; World Travel Market Global Award (2011)—the only woman to receive the award; IATO Hall of Fame Award (2012) and Award during 23rd IATO Annual Convention (2007); Honorary Degree of “Doctor of Laws” from the University of Warwick UK for her contribution to tourism; DEVI Award for Dynamism & Innovation by The New Indian Express Group (2014); Gallery of Legends – India Travel Award (Northern India) (2014).

MEIDYATAMA SURYODININGRAT

Editor-in-Chief, The Jakarta Post, Indonesia

Mr. Meidyatama Suryodiningrat is a member of the Board of Directors of PT. Bina Media Tenggara, which publishes the Post, the Weekend magazine, and Youthspeak tabloid. With a background in journalism spanning 18 years, he continues to write op-ed pieces, columns and essays on a wide range of subjects focusing issues related to socio-political affairs and foreign policy.

Mr. Suryodiningrat has also worked for two-years outside journalism as an analyst for a Jakarta-based strategic consulting firm which engages in government and community relations. Mr. Suryodiningrat is also a frequent contributor to various journals and books, including “ASEAN at the Crossroads of Regionalism”, in *Emerging China—Prospects for Partnership in Asia*; “ASEAN Regional Forum 2011: China and the United States” in *Asia Pacific Bulletin*, No. 127, Aug. 4. 2011; “US Rapprochement with Indonesia: From Problem State to Partner” in

Contemporary Southeast Asia, Vol. 32, No. 3, December 2010; The Voice of Reason, Kompas-Gramedia Group, 2008; and “Flirting with Democracy: Will Indonesia Go Forward or Back?”, *Asia Special Report*, Woodrow Wilson International Center for Scholars, 2004. He is a former Research Fellow at Harvard University’s Weatherhead Center for International Affairs, in Cambridge, Massachusetts.

RUMEL DAHIYA

Deputy Director-General, Institute for Defence Studies and Analyses, New Delhi

Brig Rumel Dahiya, SM (Retd) is also Coordinator of the Military Affairs Centre and Managing Editor of the Journal of Defence Studies. Brig. Dahiya is an Indian Army veteran with extensive command and staff experience spanning 32 years, including in counter-insurgency operations. He previously served as a Defence Attache to Turkey, Syria and Lebanon, and with the Indian Military Training Team in Bhutan. He also served with Military Operations Directorate of the Indian Army and Net Assessment Directorate at Integrated Defence Staff. Brig Dahiya is a graduate of the National Defence College and Defence Services Staff College. He was awarded the Sword of Honour and Gold Medal at the Indian Military Academy at his commissioning. Brig Dahiya completed his MSc and MPhil in Defence and Security Studies, MSc in Disaster Mitigation, Post Graduate Diploma in Human Rights. His expertise is on net assessment, India’s Defence and Security Policies and West Asia.

ABHIJIT SINGH

Research Fellow, IDSA

Cdr Abhijit Singh is a serving officer in the Indian Navy. He is an expert on maritime and littoral security. Commissioned in the Executive Branch of the Indian Navy in July 1994, he is a specialist in Gunnery and Weapons Systems and has served on board frontline ships. During his tenure with the Flag Officer Doctrines and Concepts, he was actively associated in the formulation and articulation of naval doctrines and operational concepts. As the Officer-in-Charge of the Indian Navy’s History Division in 2008, he was involved in the preparation of the third volume of the *Indian Naval History: Transition to Guardianship*. Prior to joining the IDSA, he was a Research Fellow at the National Maritime Foundation (NMF) for three years where he wrote extensively on littoral security and geo-political events in West Asia and South Asia.

NGUYEN VU TUNG

Vice President, Diplomatic Academy of Vietnam, Director-General, Institute for East Sea Studies, Diplomatic Academy of Vietnam (DAV)

Before joining the Diplomatic Academy of Vietnam, Dr Nguyen Vu Tung served at the Vietnam Embassy in the United States as Deputy Chief of Mission since July 2010. Prior to the Embassy assignment, he was the Principal Deputy Director-General of the DAV Institute for Strategic Studies and Foreign Policy, a DAV lecturer of International Politics and Vietnamese Foreign Policy, and a senior associate at the Ministry of Foreign Affairs Policy Planning Department. He obtained his PhD in Political Science from Columbia University (New York City, USA) in 2003. He earned Fellowships to conduct his research at various institutions including The Peace Research Institute, Oslo and The Nobel Institute (Norway), The Australian Defense Force Academy (ADFA), and the East Asian Institute (Columbia University). His main areas of teaching, research, and publications include international relations theories, international relations in South East Asia and Asia-Pacific, Vietnamese foreign policy and relations with the United States and ASEAN.

KAMLESH BAJAJ

Founder CEO, Data Security Council of India (DSCI)

Kamlesh Bajaj is the Founder Director of Computer Emergency Response Team (CERT-In), Ministry of Communications and IT. He was instrumental in establishing the techno-legal framework for public key infrastructure in the country under the Information Technology Act 2000. He also served as the Global Head, Information Risk Management Practice, TCS. Dr Bajaj has established DSCI as the lead agency in data security, privacy protection, cyber forensics and cyber security, with its footprint in India and abroad. He has led the development of best practices in security and privacy; authored several important policy papers on security, privacy protection, cyber security, Internet Governance, cyberspace as global commons, cybercrimes and international treaties. DSCI report “Securing our Cyber Frontiers” helped build public-private-partnership to strengthen cyber security and national security in the country. His speaking engagements in national and international conferences have increased visibility of DSCI. Dr Bajaj holds a Ph.D. in Physics from McMaster University, Canada, and a Master’s degree from the University of Delhi.

TAN SRI DATO SERI PANGLIMA MOHD AZUMI BIN MOHAMED

Chairman, Board of Directors, Cyber Security Malaysia

General Tan Sri Dato Seri Panglima Mohd Azumi bin Mohamed (Retd) was appointed to the Board of Cyber Security Malaysia as Chairman in July 2009. He is also a member of its Audit, Governance and Integrity Committee. He served as Chairman of the Organisation of Islamic Cooperation Computer Emergency Team (OICCERT) from 2009 until 2013 and is its current Advisor. He holds a Master of Science in National Resource and Strategy graduating from the Dwight D Eisenhower School of National Security and Resource Strategy, National Defense University, Washington DC. General Azumi also holds a Graduate Diploma in Strategy and attended a Comprehensive Programme in Information Technology at the Information Resources Management College of the National Defense University. Prior to his retirement as the Chief of the Malaysian Army in Dec 2004, General Azumi served with the Malaysian Armed Forces in various Command and Staff functions for 37 years. Highlights of his military career included service with the United Nations Iraq/Kuwait Military Observer Mission following the aftermath of the First Gulf War in 1991 where he assisted the Foran Commission in the return of war property and policing the demilitarised zone. He is also a Trustee of the Perdana Global Peace Foundation since 2009 and an active participant of the Foreign Policy Study Group. He was also on the National Unity Advisory Panel for the 2007/2008 session.

ALOK VIJAYANT

Director, Cyber Security Operations, Government of India

Mr. Alok Vijayant served in the Reserve Bank of India (RBI) for 14 years in various capacities and in 2005 he joined National Technical Research Organisation (NTRO), the country's premier Technical Intelligence Agency as Head of IDG (Information Dominance Group) and TFIU (Tech Financial Intelligence Unit). He has handled some of the sensitive assignments including detection of attack on PMO computers, MoD Attack, NSAB Attacks, MEA Attacks, Shadows in the cloud etc. He was part of the teams investigating Malegaon Blast in 2006, multiple operations with ATS, Mumbai, Delhi Police, a part of two member PMO Team post 26/11 Mumbai attack etc. He is Visiting Faculty at RAW Training Institute, BPR&, SSB Academy, CBI Academy, ARTRAC, NICFS, IIMC, NIBM, MCTE, CDM, NDC etc. Mr Vijayant has conceived and initiated NSD (National Security Database) and ISAC (Information Sharing and Analysis Center) at the

national level to identify existing sets of Indian Cyber Security Professionals and also to create a future work force in cyber through a mechanism of mentoring and nurturing.

JULITO D. VITRIOLO

CESO III, Executive Director IV, Commission on Higher Education, Philippines

One of the few pioneers still actively serving the Commission on Higher Education (CHED), Atty. Julito D. Vitriolo, was instrumental in the setting up of the organisational structure of the CHED Secretariat and the various offices under it. He was appointed as Deputy Executive Director IV in 1995 and the first to be conferred the Career Executive Service Officer status with rank III in the CHED. He was eventually appointed as the Executive Director IV of the CHED in 2009. Atty. Vitriolo finished Industrial Engineering at the University of the Philippines (UP), College of Engineering in Diliman. He also took continuing education courses and training at the Ateneo De Manila University Graduate School of Business. He holds Master's and Doctoral Degrees in Criminology. Atty. Vitriolo was also a Fellow of the East West Center, University of Hawaii, USA. Atty. Vitriolo was also the Executive Secretary of the Technical Panel for Engineering and Architecture Education (TPEAE). He is the Commission's Permanent Representative to the APEC HRD Technical Working Group. Atty. Vitriolo has written various articles and papers. His major policy works include the Organisational Framework for the Establishment of the Commission on Higher Education and the Revised IRR of RA 7722. He was also the Chairman of the TWG that formulated the Manual of Regulations for Private Higher Education of 2008.

RAJESH RAI

Assistant Director, Institute of South Asian Studies, National University of Singapore (NUS)

Professor Rai is associated with NUS since 2001. He is an Associate Professor at the South Asian Studies Programme, Faculty of Arts and Social Sciences (NUS). He completed his PhD on 'The Antecedents and Development of Hindu Nationalism in the BJP, 1980-98' from University of Birmingham. He has been awarded the Faculty Teaching Excellence Award (FASS, NUS) in 2010 and 2013, Research Excellence Award (NUS, Office of the Deputy President, Research and Technology) in 2012 and 2014, Writing Semester Scheme Award (FASS, NUS)

in 2011, Long Service Award (NUS), and Singapore Studies Incentives Award for Teaching & Content (NUS) in 2009. He is the book review editor of *Asian Journal of Social Science*, a BRILL publication. He is in the editorial advisory board of *Journal of South Asian Diaspora*, a Routledge publication. He is the author of *Indians in Singapore, 1819-1945: Emigrants, Diaspora and Transnational Identities in the Colonial Port-City*. Besides, he is the co-editor of Religion and Identity in the South Asian Diaspora, The Encyclopaedia of the Sri Lankan Diaspora, Nationalism in South Asia, The South Asian Diaspora: Transnational Networks and Changing Identities and The Encyclopaedia of the Indian Diaspora.

BALADAS GHOSHAL

Director (Academic), Society for Indian Ocean Studies, India

Professor Baladas Ghoshal, was until recently ICCR Chair in Indian Studies at the Russian State University for the Humanities, Moscow, is honorary Distinguished Fellow at the Institute of Peace and Conflict Studies. He is a former Professor of South East Asia and South-West Pacific Studies and Chairman of the Centre for South and Southsast Asian Studies at Jawaharlal Nehru University, New Delhi. Between 2004 and 2007, he was a Visiting Professor of International Relations first at the International Christian University, Tokyo and then at Nagoya City University. He has also taught at the University of Illinois at Urbana-Champaign (1990-91) National University of Malaysia (1998-1999), University of Malaya (2000) and the Universiti Utara Malaysia (2002-2003). He has held Senior Fulbright Fellowships at the Cornell and Rutgers Universities (1983-84). He has been a Fellow at the Institute of Southeast Asian Studies, Singapore (1985-86) and the Centre for Asian Studies, University of Hong Kong (Sept.-Oct.2003), East West Centre (2010); and a Consultant to the United Nations Support Facility for Indonesian Recovery (November 2003-February2004). Prof Ghoshal has published extensively on Indonesian politics, ASEAN and regional security issues. His recent publication is *China's Perception of India's Look East Policy*, brought out by IDSA.

SHYAM SARAN

Chairman, RIS and National Security Advisory Board, India

Ambassador Shyam Saran is the former Foreign Secretary, Government of India and has served as the Prime Minister's Special Envoy for Nuclear Affairs and Climate Change. He is currently Chairman of the National Security Advisory

Board and Research and Information System for Developing Countries. Ambassador Saran is a Senior Fellow at the Centre for Policy Research. He was awarded the Padma Bhushan, the third highest national award, in January 2011 for his contributions to Civil Service. He writes and speaks regularly on foreign policy, climate change, energy security and national and international security related issues.

R. SHANKARAN NAMBIAR

Senior Research Fellow and Head, Policy Studies Division, Malaysian Institute of Economic Research, Kuala Lumpur

Dr R. Shankaran Nambiar is a Senior Research Fellow at the Malaysian Institute of Economic Research (MIER). His research interests include development economics, institutional economics and trade policy. He has published journal articles and book chapters in these areas. He has been engaged as a consultant for the Ministries of Finance, International Trade and Industry and Domestic Trade and Consumer Affairs, Malaysia. He has also been a consultant for the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), United Nations Development Programme (UNDP), United Nations Economic Commission for Latin America and the Caribbean (UNECLAC), the International Labour Organisation (ILO), Asian Development Bank Institute (ADB), Economic Research Institute for ASEAN and East Asia (ERIA) and Japan External Trade Organisation (JETRO). He has been a member of the International Working Group on the Doha Agenda. He has conducted feasibility studies on the US-Malaysia FTA (East-West Center), ASEAN-Pakistan FTA (ASEAN Secretariat) and on the ASEAN-India FTA. In addition, he has been a resource person for capacity-building programmes in transition economies in Central and Southeast Asia. He is the author of the recently published book, *The Malaysian Economy: Rethinking Policies and Purposes*. He obtained his PhD in economics from Universiti Sains Malaysia.

SUTHIPHAND CHIRATHIVAT

Chairman, Chula Global Network Chulalongkorn University, Thailand

Professor Suthiphand Chirathivat is Chairman, Chula Global Network, Executive Director, ASEAN Studies Center and professor of economics at Chulalongkorn University. Until recently, he was Dean, Faculty of Economics, and Chairman of the PhD Programme in Economics, Chairman of Economics Research Center

and Center for International Economics at Chulalongkorn University. Prof Suthiphand previously held a position as Advisor to the Ministry of Foreign Affairs, Ministry of Finance, Ministry of Commerce, Ministry of Transport and Communications, thus including Economic Affairs Committee and Foreign Affairs Committee of the Thai Parliament. He represented Thailand in the East Asia Expert Study Group (ASEAN+3 until 2009) and the Comprehensive Economic Partnership in East Asia (ASEAN+6 until 2010). He was recently in the Advisory Committee for the ASEAN 2030 project, run by the Asian Development Bank Institute and other research projects supported by the ASEAN Secretariat. His academic interests involve the issues related to international trade, investment, finance, regional integration and development, and new arising issues in Asia in relation to the global economy and society. His most recent publication is *Coping with Uncertainties in Southeast Asia*. Prof Suthiphand holds a Doctorate in Economy from the University of Panthéon-Sorbonne, Paris I.

ANUPAMA D. MASALI

PhD Scholar, Faculty of Economics, Chulalongkorn University, Bangkok

Ms. Anupama Masali, a PhD scholar in Chulalongkorn University, is working on India-ASEAN trade focusing on FTAs, intra-industry trade and non-tariff measures. Her areas of interest are international trade and development, regional integration and socio-economics. While pursuing her research at Chulalongkorn University, she has worked on projects funded by the National Research Council of Thailand (NRCT), International Institute for Trade and Development (ITD), a Regional Research Centre established by Thailand and UNCTAD. She was selected and participated in the Ninth Asia-Pacific Research and Training Network on Trade (ARTNeT) Capacity Building Workshop for Trade Research (2013), Bangkok, jointly organised by WTO, UNESCAP, ITD and ARTNeT.

Prior to joining the doctoral programme she did a brief research stint at Centre for Budget and Policy Studies (CBPS), Bangalore and interned at the Centre for the Study of Culture and Society (CSCS), Bangalore and was selected by CSCS to participate in an International Summer School on Pluralism and Human Development (2010) held at Gadjah Madjah University, Indonesia.

Ms Anupama Masali, did her M.A. Economics at the University of Mysore and passed out obtaining the University First Rank. She was awarded six gold medals and two special prizes by the University of Mysore in recognition of her outstanding academic performance in the Final M.A. Examinations.

NAGESH KUMAR

Head, United Nations ESCAP South and South-West Asia Office, New Delhi

Before joining ESCAP in 2009, Dr Nagesh Kumar was Director-General of the Research and Information System for Developing Countries (RIS), a New Delhi based public funded policy think-tank of the Government of India during 2002-09. He has also served on the faculty of the UN University-Institute for New Technologies in Maastricht, the Netherlands (1993-1998). Dr Kumar has served on the boards of the Export-Import Bank of India, the International Centre for Trade & Sustainable Development (ICTSD), Geneva; the South Asia Centre for Policy Studies (SACEPS), Kathmandu, among other institutions. He has served as consultant to the World Bank, ADB, UNCTAD, UNIDO, UN-DESA, the Commonwealth Secretariat, among others. He has chaired regional track-II study groups on trade in services in South Asia and on infrastructure development in East Asia. Dr Kumar is a recipient of the Exim Bank of India's first International Trade Research Award (1989) and the Global Development Network's Research Medal (2000). Dr Kumar has authored 15 books and over 90 peer-reviewed papers.

HIDETOSHI NISHIMURA

Executive Director, Economic Research, Institute for ASEAN (ERIA), Indonesia

Professor Nishimura graduated from the Faculty of Law, the University of Tokyo. He joined the Ministry of International Trade and Industry, Tokyo in 1976. Prof Nishimura has assumed numerous positions, including Representative of the Asia-Pacific Region of the Japan Overseas Development Corporation, Director of the Southeast Asia and Pacific Division of the Trade Policy Bureau, Vice Governor for International Affairs of Ehime Prefecture, Director-General of the Business Support Department of the Small and Medium Enterprise Agency, Executive Managing Director of the Japan-China Economic Association, and President of the Japan-China Northeast Development Association. He assumed position of ERIA Executive Director in June 2008. Prof Nishimura is also a Visiting Professor of Waseda University, Daruma Persada University, Miyazaki Sangyo-Keiei University and Fellow of Meiji Institute for Global Affairs, Meiji University.

RAJIV BHATIA

Director-General, Indian Council of World Affairs, New Delhi

Ambassador Rajiv Kumar Bhatia was the Director-General of Indian Council of World Affairs (ICWA) from June 2012 till July 2015. As a career diplomat, he

served India with distinction for over 37 years. He was India's Ambassador/High Commissioner in Kenya, Myanmar, Mexico and South Africa. Presently, he is also member of the Academic Council of Jawaharlal Nehru University, member of the Governing Council of National Institute of Design, and member-secretary of the Governing Council of ICWA. Known for his intellectual inclinations, Ambassador Bhatia enjoys writing and speaking on a wide range of foreign policy-related issues. Since his retirement from the Indian Foreign Service in 2009, he has published over 125 articles on international affairs in India's national dailies, journals and periodicals. He has delivered lectures at the National Defence College, Foreign Service Institute, universities and other institutions in India. Since mid-2012, Ambassador Bhatia led ICWA delegations to Russia, China, Belgium, Australia, Indonesia, Vietnam and Myanmar. He also addressed Track-II conferences in Beijing, Shanghai, Port Louis and Paris, and interacted with leading academics in London, Kuala Lumpur and Jakarta.

GOPINATH PILLAI

Chairman, Management Board of the Institute of South Asian Studies, Singapore

Ambassador Gopinath Pillai holds several key public appointments simultaneously. He is Chairman of the Management Board of the Institute of South Asian Studies. He is Ambassador-at-Large in the Ministry of Foreign Affairs since August 2008. He is also Executive Chairman of Savant Infocomm Pte Ltd. Ambassador Pillai was Singapore's Non-Resident Ambassador to Iran between 1990 and 2008 and also served as Singapore's High Commissioner to Pakistan. The Indian government conferred Ambassador Pillai with the Padma Shri award at the 2012 Republic Day. Ambassador Pillai has received several awards, including the Friend of Labour (NTUC 1987); Meritorious Award (NTUC 1990); Friend of MCD from the Ministry of Community Development (1998); and Friend of IT from Singapore Computer Society (2001). The Singapore government has awarded Ambassador Pillai the Public Service Star Award (BBM) in 1999 and BBM (BAR) in the 2009 National Day Awards.

TAN SRI RASTAM MOHD ISA

Chairman and Chief Executive, Institute of Strategic and International Studies, Malaysia

Tan Sri Rastam spent more than 36 years in the Malaysian diplomatic service. He served in various capacities at the Ministry of Foreign Affairs and Malaysian

diplomatic missions abroad, including as the High Commissioner of Malaysia to Pakistan, Ambassador of Malaysia to Bosnia Herzegovina, Ambassador of Malaysia to the Republic of Indonesia and Permanent Representative of Malaysia to the United Nations in New York. He was Secretary General of the Ministry of Foreign Affairs from 8 January 2006 until he officially retired from public service on 2 September 2010. Prior to his appointment as the Chief Executive of ISIS Malaysia, he was Advisor at the Chief Minister's Department in Sarawak. Tan Sri Rastam is the Chairman of the Malaysian National Committee for the Pacific Economic Cooperation Council (PECC) and Chairman of the Malaysian National Committee of the Council for Security Cooperation in the Asia Pacific (CSCAP). Tan Sri Rastam has received Federal and State awards and decorations namely, the Panglima Setia Mahkota (PSM), SSAP, PJN, SIMP, DIMP, KMN and AMN. He is also a recipient of the DSLJ from His Majesty the Sultan of Brunei Darussalam.

U NYUNT MAUNG SHEIN

Chairman, Myanmar Institute of Strategic and International Studies, Yangon

Ambassador U Nyunt Maung Shein has served the Government of Myanmar for 40 years before retiring as Permanent Representative to the United Nations Office in Geneva in 2008. He held various diplomatic positions at Myanmar Missions in Bern, Hanoi, Bangkok, Dhaka and Tokyo. He was Ambassador Extraordinary and Plenipotentiary to the Republic of Korea (2001-2002) and the Federal Republic of Germany (2002-2005) with concurrent accreditation to Austria, Poland, Finland and the Czech Republic as well as the Ambassador to the UNIDO, UNODC and IAEA, Vienna. U Nyunt Maung Shein served in the Political Department in different capacities as the Director of Boundary Division, (1990-1992), Deputy Director-General (1996) and Director-General (1998-2000). He has represented his country at the Senior Official's Meeting (SOM) and other related meetings of ASEAN including summits. He holds a BSc. Degree from the University of Yangon and MIPP (Master of International Public Policy) from SAIS, the Johns Hopkins University, Washington DC, USA and a Diploma in French from the University of Foreign Languages, Yangon. He received several medals from the Government for his services; the highest being the Excellent Performance in Administration Medal (First Class) awarded to him in the year 2000.

KAVI CHONGKITTAVORN

Former Editor, The Nation, Thailand Senior Fellow, ISIS, Thailand

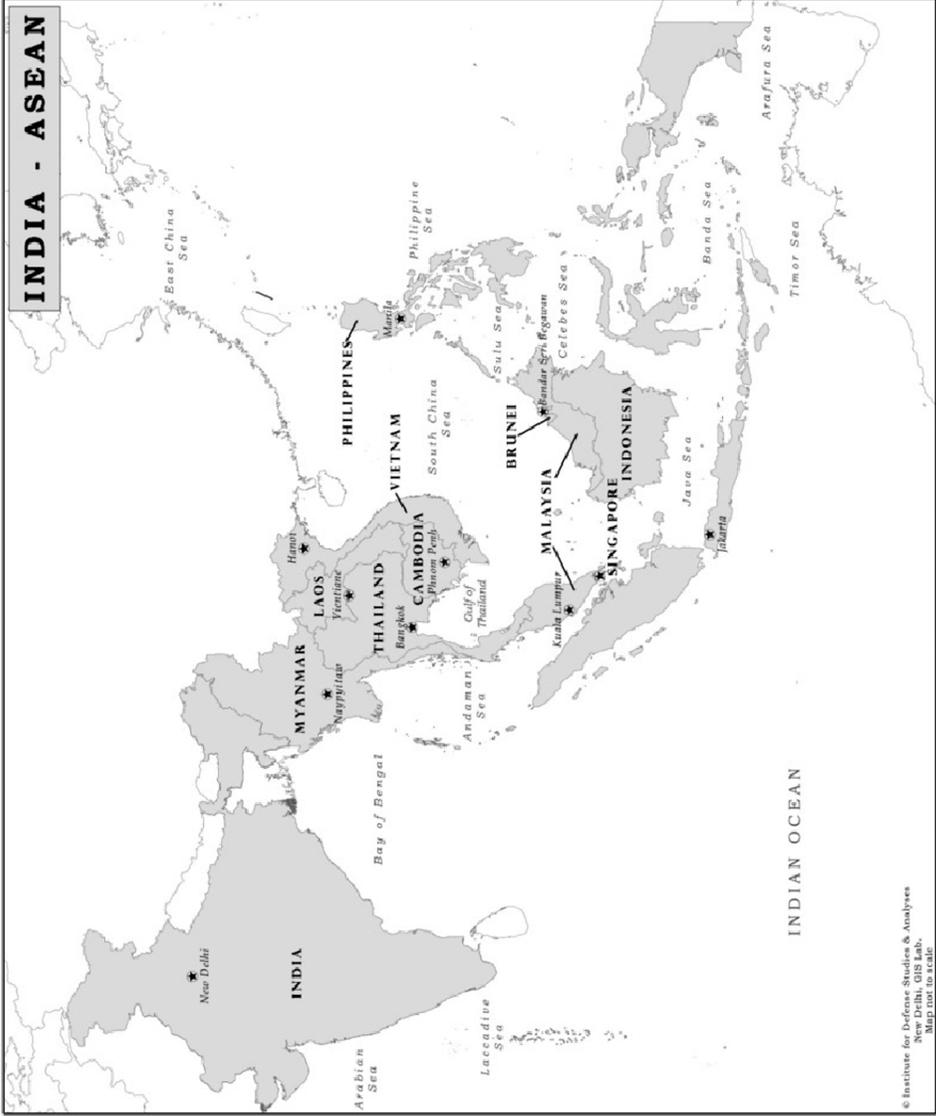
Mr. Kavi Chongkittavorn is the former editor of *The Nation*, Bangkok-based English daily. He has been a journalist for over three decades and has worked in the capacity of a reporter, foreign correspondent, managing editor and editor. From 1986-88, Mr. Chongkittavorn was the bureau chief of *The Nation* in Phnom Penh and from 1989-1991 in Hanoi. He served as a special assistant to the ASEAN Secretary General in Jakarta from 1994-95 before returning to journalism. From 1999-2007, Mr. Chongkittavorn served as a member of the jury for the UNESCO World Press Freedom Prize, and then became the president of its selecting committee. He is the founder of Southeast Asian Press Alliance, a Bangkok-based regional free media campaigning organisation. In May 2003, he was a part of the three-member team to assess the media situation in Timor-Leste for UNESCO. He was a Reuter Fellow at Oxford University in 1993-94 and a Nieman Fellow at Harvard University in 2000-2001. Currently, he writes columns for several renowned news publications and serves as a foreign policy analyst for the broadcast media.

UDAI BHANU SINGH

Senior Research Associate and Coordinator, Southeast Asia and Oceania Centre, Institute for Defence Studies and Analyses, New Delhi

Dr. Udai Bhanu Singh studied in Delhi at St. Stephen's College (BA Honours and Masters in History) and School of International Studies (M.Phil and PhD). He specialises on Southeast Asia with special attention to Myanmar. He joined IDSA in 1993. The co-edited work, Rumel Dahiya and Udai Bhanu Singh, (Eds) *Delhi Dialogue VI: Realising the ASEAN-India Vision for Partnership and Prosperity* was released during Delhi Dialogue VII, in March 2015. Dr. Singh earlier authored *ASEAN Regional Forum and Security of the Asia-Pacific* besides contributing to journals and chapters in books. He has participated in Track-II and 1.5 Dialogues with Myanmar, New Zealand and Australia. He contributes to the media and has delivered lectures at academic and defence institutions in India and abroad.

INDIA - ASEAN



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New Delhi, India
Map not to scale.

Preface

Delhi Dialogue is an annual Track 1.5 forum for discussing politico-security and economic issues between ASEAN and India. Since its first edition in 2009, Delhi Dialogue has evolved into a useful forum for brainstorming on all aspects of the ASEAN-India relationship and has contributed immensely towards strengthening of the Strategic Partnership between them.

Background

2015 marks a watershed in the 48 year long journey of ASEAN. Its three principal pillars—the ASEAN Political and Security Community (APSC), the ASEAN Economic Community (AEC) and ASEAN Socio-Cultural Community (ASCC) are expected to be established during this year. The 25th ASEAN Summit held on 12 November 2014 adopted the ASEAN Community's Post-2015 Vision, which provides a comprehensive roadmap for ASEAN. With Malaysia in the Chair, ASEAN hopes to constitute a community that is politically cohesive, economically dynamic and socially and culturally harmonious.

ASEAN, with a combined GDP of US\$ 2.3 trillion (in 2013), a large market of 630 million people, good connectivity, and free trade agreements with major partners covers a dynamic region which exercises substantial collective economic influence regionally and globally. In combination with India this constitutes a community of more than 1.8 billion people—nearly a quarter of the world's population, and a combined GDP of about US\$ 4 trillion.

It is significant that the ASEAN-India partnership that has progressed over the last 23 years is destined to play a crucial role in shaping ASEAN's post-2015 agenda. ASEAN-India relations received momentum in the early 1990s with the introduction of India's Look East policy, coinciding with India's

economic reforms. Economic aspirations led India into first a Sectoral Dialogue partnership with ASEAN in 1992 which later matured into a Full Dialogue partnership. This was followed by Summit-level partnership (2002), and India's accession to the Treaty of Amity and Cooperation in South East Asia. In November 2004, India signed the 'ASEAN-India Partnership for Peace, Progress and Shared Prosperity' during the Third ASEAN-India Summit in Vientiane. The partnership agreement presented the vision of future cooperation between India and ASEAN. For the practical implementation of this idea, a 'Plan of Action' (2004-2010) was adopted. This was followed by a second 'Plan of Action' covering the period 2010-2015. The next Plan of Action for 2016-21 is at the drafting stage.

The Impact of Global, Regional and Domestic Shifts in the Post-2015 Agenda

South East Asia has witnessed political, economic and socio-cultural ferment in the recent past. Traditional security priorities compete with the non-traditional security requirements. Equally, the rise of some regional powers and the tension in the South China Sea could inhibit steady growth. Some of the security challenges that ASEAN faces are common to India too. The evolution of norms and institutions and an inclusive Asian security architecture are common aspirations of India and ASEAN and so is the goal of shared prosperity. A stable regional security and economic architecture would require taking on board genuine concerns of all stakeholders.

In order to ensure stable growth and development, policymakers of India and ASEAN would be called upon to address a wide gamut of challenges in the post-2015 period that would include: maritime and cyber security challenges and other non-traditional security challenges such as terrorism and natural disasters.

Both ASEAN and India need to pay greater attention to synergising development of their human resources pool through cooperation in education and skill development fields, improve connectivity by removing bottlenecks, enhance economic engagement through integrating regional production networks, investments and creation of value chains, and promoting social and cultural links among their people. Delhi Dialogue VII will focus on these important themes.

India's Act East Policy

India's policy towards ASEAN has maintained a strong content of continuity, despite changes in government. India's Prime Minister, Mr Narendra Modi, reiterated at the 12th ASEAN Summit held in Nay Pyi Taw in November 2014 that India's Look East Policy had been upgraded to an 'Act East Policy'. India has clearly expressed interest in strengthening and broadening of the relationship. This is testified by the exchange of high-level visits, accelerated pace of multilateral interaction in the region, and growing mutual economic interdependence. There has been an exchange of high-level visits to ASEAN capitals including PM's visit to Myanmar, President's visit to Vietnam and visits by the External Affairs Minister to Myanmar, Singapore and Vietnam. In turn, there have been high-level visits from Vietnam and Singapore to India during the last six months.

India cooperates with ASEAN members in various Track-I and Track-II fora. India is engaged with the region through ASEAN-led mechanisms such as the ASEAN Regional Forum (ARF), the East Asia Summit (EAS) and ASEAN Defence Ministers Meeting (ADMM) Plus. India recognises the centrality of ASEAN in all these initiatives. India and ASEAN have joined hands in countering terrorism as signified in the ASEAN-India Joint Declaration for Cooperation in Combating International Terrorism. India is already active in other fora like the Mekong Ganga Cooperation, and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).

For its part, India supports ASEAN's initiatives for peace and development and desires a strong and united ASEAN. The ASEAN-India Vision Statement at the Commemorative Summit (New Delhi, 2012) elevated the ASEAN-India partnership to a strategic level. The Summit marked 20 years of formal ASEAN-India engagement and operationalisation of India's Look East Policy. The Vision Statement has given direction to the ASEAN-India Strategic Partnership and lent its support to the ASEAN Community Building process. The ASEAN-India Plan of Action to implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity (2010-2015) has made steady progress. The establishment of an ASEAN-India Trade and Investment Centre, reactivation of the ASEAN-India Business Council, education and vocational skills training, food security and renewable energy, and enhanced people-to-

people and physical connectivity are being considered in the third ASEAN-India Plan of Action (2016-2021). India's strategic partnership at the bilateral level with Indonesia, Malaysia, Vietnam and Australia further complements its strategic partnership with ASEAN.

On the economic front, ASEAN is India's fourth largest trading partner and India is eighth largest trading partner of ASEAN. With the FTA on trade in goods already in place since 2009 and the Agreements on Trade in Services and Investment expected to enter into force this year, the stage is set for closer economic interaction. The Agreement on Goods is now due for review. Similarly, the successful conclusion of RCEP negotiations would help in the realisation of regional economic integration.

The Way Forward

The region encompassing ASEAN and India is confronted with new challenges. The countries of the region and its institutions must respond in a pro-active manner to the changes occurring in the security, economic and socio-cultural environment in the region. This presents a unique opportunity for India and ASEAN member-states to utilise their linkages through ASEAN-related institutions and structures such as ADMM Plus, East Asia Summit and others, to strengthen their partnership for mutual benefit.

There is also merit in strengthening the ties through sub-regional organisations like BIMSTEC and Mekong-Ganga Cooperation Forum which could serve to channelize resources where they are needed the most, such as in development of the CLMV countries and development and connectivity between India and ASEAN.

Delhi Dialogue VII

The first Delhi Dialogue was organised in 2009. The progress of Delhi Dialogue since its inception indicates the progress in ASEAN-India relations. As domestic imperatives of resilience converge with the regional imperatives of peace and stability, the members of ASEAN and India are looking to expand areas of cooperation.

The seventh edition of Delhi Dialogue was held in New Delhi on 11-12 March 2015, with the broad theme of "ASEAN-India: Shaping the Post-2015 Agenda". Delhi Dialogue VII included for the first time a dedicated Business

Session with panel discussions on “ASEAN Economic Community: Benefits for the ASEAN and Indian Industry”, with focus on the ‘Make in India’ campaign of the Government of India and “Trade in Services as driver for future economic cooperation: Views from India & ASEAN”.

The Academic Session covered a wide range of discussions on subjects such as Maritime Security, Cyber security, Skill Development, Knowledge Economy, Cultural Linkages, Regional Integration, Infrastructure and Energy and the Way Forward for ASEAN-India relations. All these issues focus on strengthening the ASEAN-India Strategic Partnership in the long run.

The two-day conference sought to examine and address the following set of queries and issues:

- (i) What are the impediments in the way of improved economic interactions between India and ASEAN? What has been the experience of the business community on either side and what are the solutions suggested by them?
- (ii) What are the primary geopolitical concerns of India and ASEAN? There is a growing opinion for an enhanced role for India in the maritime domain as the South China Sea and the Indian Ocean gain prominence. Equally, there has been a growing recognition of the need for a shared ASEAN-India vision on the growing arena of cyber security issues.
- (iii) With the growing cross-cultural linkages and emerging Knowledge Economy, how best can India and ASEAN complement their respective comparative advantage with respect to education, skills development? How India and ASEAN can benefit through mutual recognition of degrees, and cultural linkages and people-to-people contacts.
- (iv) What are the remaining challenges to ASEAN and India economic partnership and what are the gaps that remain in connectivity which India’s Act East policy needs to address?
- (v) What is the future direction for India and ASEAN post-2015? How can the experience gained from the last seven Dialogues be consolidated to meet the requirements of the post-2015 agenda?

This edited volume is the result of the two-day deliberations among participants from the ten ASEAN countries, and India. It may be mentioned that the ASEAN side had high-level representation from the ASEAN Secretariat while

the Indian side significantly, also had ministerial representation from India's North Eastern states.

The first part of the book includes in it chapters pertaining to the Inaugural Session. The Keynote Address by Hon'ble External Affairs Minister Mrs Sushma Swaraj—at the Inaugural Session on day one of the Dialogue set the tone for the conference. This was supplemented by the Addresses by three of the top ASEAN Ministers and Vice-Minister. The first to speak was Deputy Prime Minister and Minister of Foreign Affairs of Thailand H.E. Gen Tanasak Patimapragorn, followed by the Vice Foreign Minister of Indonesia, H.E. Abdurrahman Mohammad Fachir, and finally, the Minister of Education, Youth and Sports of Cambodia, H.E. Hang Chuon Naron. In addition to the speeches by the ASEAN Ministers, two panel discussion in which ASEAN Ministers and Heads of Delegations and the Chief Ministers and Ministers from India's North Eastern states took part, were organised on the following themes: "Building Connectivity between India and ASEAN" and "Future Direction on the India-ASEAN Strategic Partnership". The two panel discussions of the Inaugural Session ably steered by Ms. Fatima Karan covered the following subjects: 'ASEAN Economic Community: Benefits for the ASEAN and Indian Industry' and on 'Trade in Services as Driver for Future Economic Cooperation'.

The second part has among its pages the business session, which was held for the first time in Delhi Dialogue. ASEAN is moving towards the ASEAN Economic Community while India's 'Look East Policy' has metamorphosed into an 'Act East Policy'. A full-fledged Business Session was organised on the first day of Delhi Dialogue in which the leading CEOs from ASEAN and India participated. The two panel discussions of the Business Session were focused on 'ASEAN Economic Community: Benefits for the ASEAN and Indian Industry' and on 'Trade in Services as Driver for Future Economic Cooperation: Views from India & ASEAN'. The Deputy Secretary General of ASEAN, Mr. A.K.P. Mochtan's Remarks formed part of the Business Session. This was followed by the Special Remarks made by Secretary (East), Ministry of External Affairs, India, Mr Anil Wadhwa at the Business Session. The Report of the Business Session of the Delhi Dialogue which summarises the proceedings of the Business Session, has been included in Part II of the book.

The third part contains the views expressed by various participants during

the Academic Session which included: the geopolitical issues before India and ASEAN with special reference to the maritime security and the cyber space dimension; the socio-cultural issues before India and ASEAN; economic issues before the two; and the direction for Delhi Dialogue VIII.

The Academic Sessions of Delhi Dialogue were held at the IDSA campus and are covered in Part III of the book. Following the Welcome Address delivered by Brig Rumel Dahiya and the Keynote Address by Mr Anil Wadhwa, the session on Geopolitical Issues was organised. Abhijit Singh in his paper “Reinvigorating India’s Maritime Relationships in Southeast Asia” highlights the growing importance of maritime security cooperation in India-ASEAN relations in the backdrop of territorial disputes in the South China Sea and East China Sea. He advocates strategic presence and calibrated operational engagement to match political pronouncements.

Nguyen Vu Tung’s paper, titled “Maritime Security in Southeast Asia: A Vietnamese Perspective”, highlights the need for better understanding among the countries involved in maritime disputes and avoidance of unilateral actions that jeopardises security in the maritime domain. His paper emphasises that security threats are increasingly maritime in nature and have bilateral, regional and global implications. Maritime threat adversely impacts maritime connectivity and gets further aggravated by both capability and intention. ASEAN-led institutions (especially EAS) need to pay greater attention to maritime security. Thus, strengthening the EAS and working on projects approved by the EAS, strengthening the rule of law, and working with China while putting the Indo-Vietnamese bilateral ties in the larger regional context of ASEAN are important.

The next sub-theme of the session was cyber security. Kamlesh Bajaj identified the cyber world as a man-made global commons, the fifth battle space. Cyber space is continually expanding but so is the vulnerability of Information and communication technology (ICT)-based critical infrastructures. Being offence dominant, a cyber-attack is hard to trace.

Tan Sri Azumi in his paper, “Cyber Security: Need for Shared ASEAN-India Vision”, notes that our interconnectedness increases our vulnerability to cyber attacks of various kinds. ICT is a weapon in the hands of those indulging in organised crime, cyber aggression (including malware infection and system intrusion), cyber espionage and advanced persistent threats (APT).

Hence, a coordinated approach between ASEAN and India to guard cyber space is required to develop “a secured, reliable and safe cyber space”. The author rightly indicates that a forward looking policy which utilises the strengths of both sides is needed: “With its potentials, ASEAN and India can build a resilient cyber security plan like the EU and OIC”.

Alok Vijayant has presented a practitioner’s perspective in his paper on “Cyber Security in the Context of ASEAN”. Given the fact that India and ASEAN are confronted by many common challenges (multi-ethnic societies) and threats (rising terrorism), various avenues of cooperation exist: in anti-terror activities; creation of a cyber security grid on the lines of NATO Cyber Defence; and coordinated action against propaganda.

Julito Vitriolo sought to convey the larger context of the ASEAN-India partnership which was not just motivated by commercial and economic interests but was anchored in principles of democracy, rule of law and deep rooted cultural commonalities. The new technology-driven environment presents new opportunities to India and ASEAN for participation in developing knowledge based economies. By coordinating effort in the field of education and skills development through practical measures like mutual recognition of degrees and qualifications, major societal transformation can be effected. The strong cultural bonds will begin to have transformative impact on the present once people to people contacts are revived and strengthened. Then the best of common heritage can coalesce with the current technological advancement.

Rajesh Rai expounds on the people to people linkages by detailing the spread of the Indian diaspora in Southeast Asia. He rightly hints at the need for Indian policymakers to negotiate a fine balance between the interests of the Diaspora and the sensitivities of the South East Asian states.

Baladas Ghoshal lists a wide spectrum of ongoing socio-cultural cooperation between India and ASEAN that range from information technology, education, science and technology, renewable energy and space. However, he notes that implementation is key to ensuring the effectiveness of these programmes, just as targeting the development programmes where it is needed most is. Equally important is the need to ensure that this exchange is a two-way process with South East Asian countries’ involvement in developing Southeast Asian programmes and language programmes in our universities.

The session on economic issues, highlighted important trade and

investment issues between India and ASEAN. Shankaran Nambiar points out the intricate web of economic engagements within ASEAN and indicates the potential that still exists for India to tap in the ASEAN economy. India besides its bilateral arrangements with individual ASEAN countries, has shown interest/involvement in the new multilateral and economic architecture that is evolving in the region. ASEAN has been in the forefront of trade and investment liberalisation and is moving towards an Economic Community and conclusion of RCEP negotiations even as India was integrating itself with ASEAN's dynamic economies. Nambiar, while admitting to some challenges and competition maintains that India has a robust services sector and other areas of strength.

Economic interdependence between India and ASEAN has been well highlighted by Sutiphand Chirathivat and Anupama Masali in their joint paper. The importance of integrating regional production networks and value chains and its potential in the India-ASEAN context has been analysed in the context of ASEAN-India Agreement on Trade in Goods (AI-TIGA). The authors point out that many gaps remain in implementing the infrastructure and connectivity projects. They identify the ASEAN-India Plan of Action 2016-2021 as the action oriented document to implement the vision of ASEAN-India Strategic Partnership.

In order to achieve the objective of India-ASEAN economic integration it is important that equal emphasis be paid on soft connectivity (such as paperless trade, trade facilitation and single-window clearance) and hard connectivity (such as infrastructures like Trilateral Highway and Mekong-India Economic Corridor). Prabir De points out that India and Southeast Asian countries have to come together to identify the gaps that remain and strengthen the backend integration. According to De it is connectivity that forms the most vital component of Act East Policy.

An interconnected world means that the ripple effects of a global economic recession (world trade growth plummeting to just 2-3 per cent) are felt far and wide. Therefore, regional economic integration acquires an added urgency and significance. Nagesh Kumar explains the importance of the mega FTAs, TPP and RCEP in this context. He also cautions that for a large regional arrangement (like RCEP) to be effective, the development gaps that exist, need to be bridged speedily.

The concluding session was devoted to Direction for Delhi Dialogue VIII and beyond. Rumel Dahiya suggested paying attention to core concerns of maritime security cooperation and good governance through collaborative effort, cooperation in the field of green energy, sustainable blue economy, mutual investment in infrastructure and space cooperation. He also emphasised that implementation of the ongoing or identified projects should be focussed on while we prepare a blueprint for additional initiatives.

Rajiv K. Bhatia laid emphasis on sub-regional cooperation. He wanted an annual event to be hosted by ASEAN on the lines of Delhi Dialogue. He suggested more civil society representation and setting up of a 'Young Scholars Forum'.

Gopinath Pillai said that India must have the desire to interact with ASEAN for its own sake, just as ASEAN and especially Singapore feels the need to have India as a partner. India as a late entrant should be prepared to make significant concessions to ASEAN. For the Delhi Dialogue he suggested having more business discussions, prioritising the themes under discussions and holding the Delhi Dialogue once every two years. He also expressed the need for providing greater space and importance to the private sector for speedy implementation of the projects based on their capacity and speed of decision-making.

Tan Sri Rastam Isa also emphasised importance of increasing the role for the youth in the Dialogue process and informed of Malaysia's plan to organise a Youth Assembly by end-2015. He endorsed Gopinath Pillai's suggestion of having more business discussions (in a business session)—perhaps extending over two days—while integrating the business session with the academic session.

Kavi Chongkittavorn emphasised the need for spreading the awareness about each other by encouraging greater media involvement. He pointed out the lack of information and knowledge about India in the ASEAN countries and in India about the ASEAN states. He also highlighted the efforts being made by China in this direction and lamented that India still lags behind China and Japan in efforts to develop closer relations with the ASEAN.

U Nyunt Maung Shein also stressed on the need for speeding up the infrastructure projects. He called for an early conclusion of a cross-border

transport agreement. He suggested including in future Dialogue, a segment on the media in India and ASEAN at Delhi Dialogue.

During the discussion it was hoped that participants in DD VII will help evolve a new vision for the ASEAN-India relationship in post-2015 period.

The views expressed in the papers are those of the participants in the Dialogue and have been reproduced without any significant edition. We compliment them for their contribution.

Delhi Dialogue is very much a team effort. It is our Partners and Associates who make this effort worthwhile, some of them joining us for the first time. The Ministry of External Affairs has been the moving force behind the Delhi Dialogue. I wish to record my thanks to Secretary (East) Mr Anil Wadhwa and Joint Secretary (AML) Ms. Pooja Kapur and her team of officers who provided us all the support. It was FICCI and its dynamic officers, especially Mr Dheeraj Pasricha, who provided us unstinted logistical support. SAEA Group Research, especially Mr Ravindran and Mr Aru, always lent a helping hand when we needed it. Our other Partners and Associates who lent us their constant support were: ICWA; ISIS Malaysia; ISIS Thailand; ASEAN-India Centre; ERIA Jakarta; ICRIER, CII, ASSOCHAM; AIAI, Mumbai and ICC Kolkata. I thank Deputy Director-General and my other colleagues at IDSA who provided me all the necessary support, encouragement, guidance and help in organising the Academic Session of the Dialogue.

Apart from expressing my sincere gratitude to the distinguished participants from Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, I must acknowledge the valuable contribution made by the Indian scholars. The Moderators for the various sessions of the conference—Mr. Meidyatama Suryodiningrat (Geopolitical Issues), Prof. S.D. Muni (Socio-cultural issues), Amb. Shyam Saran (Economic issues), and Prof Hidetoshi Nishimura (Directions for Delhi Dialogue VIII)—deserve our special thanks. It was the special expertise and scholarship of the Moderators which gave direction to the proceedings and enriched its content.

This edited volume is an outcome of the Delhi Dialogue VII held in New Delhi on 11-12 March 2015. Participants from ASEAN countries, and India deliberated upon the theme of the annual conference, titled “ASEAN-India: Shaping the Post-2015 Agenda”, and made a valuable contribution by way of providing the perspective of the practitioners and the academic observers on

issues that ranged from the geopolitical, the socio-cultural, the economic to the future course. No Delhi Dialogue is complete without the participation from our Northeastern States. We thank the Chief Ministers and Ministers from India's Northeastern States especially Arunachal Pradesh, Manipur and Assam for their participation and presence. I am also grateful to my colleagues Ms. Neha Kohli and Mr. Vivek Kaushik, for their valuable help with copy-editing of the manuscript. I must also record my thanks to the publisher, Pentagon Press, for their professional efficiency in publishing this book.

New Delhi
July 2015

Udai Bhanu Singh

PART I

INAUGURAL SESSION

Welcome Remarks

Jyotsna Suri

Keynote Address

Sushma Swaraj

1

Welcome Remarks by President, FICCI, Dr Jyotsna Suri

Smt. Sushma Swaraj, Hon'ble Minister of External Affairs, Government of India,

Mr Anil Wadhwa, Secretary (East), Ministry of External Affairs,

Brigadier Rumel Dahiya, Deputy Director General, IDSA,

Dignitaries from ASEAN countries,

Excellencies,

Ladies and Gentlemen,

Namaskar

I have great pleasure in welcoming you for the seventh edition of Delhi Dialogue which is an annual initiative of FICCI in partnership with the Ministry of External Affairs. The theme of this year's Delhi Dialogue is 'ASEAN-India: Shaping the Post-2015 Agenda.'

The objective behind Delhi Dialogue is to increase India's engagement with ASEAN countries which represent an economic powerhouse and with whom India is bound by centuries old linkages.

Prime Minister Shri Narendra Modi views our relationship with ASEAN as a top priority. He said and I quote, 'Rapidly developing India and ASEAN can be great partners for each other. We have been successful to a considerable extent in pursuing our dreams. We have laid a foundation for a strong and comprehensive strategic partnership.'

The government has also moved quickly to turn India's 'Look East Policy' into an 'Act East Policy' and the ASEAN is at the core of the 'Act East Policy.' This finds reflection in the Indian Budget, where the government has announced that it will facilitate the Indian private sector investment into the CLMV countries—Cambodia, Laos, Myanmar, and Vietnam—through a project development company.

The ASEAN-India Services and Investment Agreement signed last year (2014) will open up opportunities for movement of both manpower and investments between India and ASEAN. This will pave the way for a bigger presence of our companies in the region and will allow Indian industry to reap the benefits of the deal.

Excellencies, I believe India and ASEAN have a win-win scenario in the making and we need to set the pace for a more robust engagement. There are great opportunities for investment as well as trade expansion and diversification. India and ASEAN have set a trade target of US\$ 100 billion to be achieved by 2015 and US\$ 200 billion by 2022. Let us work towards exceeding those targets.

However, we also need to improve on connectivity between India and ASEAN, and this includes land, air and maritime connectivity. That is the key facilitator for business travel and tourist flow. We share a rich heritage of Buddhist pilgrimage sites which can ensure a tremendous boost to tourism.

I wish the Delhi Dialogue all success.

2

Keynote Address by Hon'ble External Affairs Minister Mrs Sushma Swaraj at the Inaugural Session of Delhi Dialogue VII, New Delhi, 11 March 2015

H.E. General Tanasak, Deputy Prime Minister and Minister of Foreign Affairs
of Thailand,

H.E. Dr. Naron, Minister of Education, Youth and Sports of Cambodia,

H.E. Mr. Fachir, Vice Foreign Minister of Indonesia,

H.E. Mr. Lwin, Deputy Foreign Minister of Myanmar,

H.E. Dr. Mochtan, Deputy Secretary-General of ASEAN

Hon'ble Chief Minister of Arunachal Pradesh, Shri Nabam Tuki

Hon'ble Chief Minister of Manipur, Shri Okram Ibobi Singh,

Hon'ble Minister for Planning and Development of Assam, Ms. Ajanta Neog,

Representatives from Brunei Darussalam, Lao PDR, Malaysia, Philippines,
Singapore and Vietnam

Distinguished Guests,

Ladies and Gentlemen,

I extend a warm welcome to all of you to the seventh edition of the Delhi
Dialogue.

Over the past six years, Delhi Dialogue has emerged as India's pre-eminent

ASEAN-centric Track 1.5 forum, where we, the policy makers, along with stalwarts from academia and think tanks, from both India and ASEAN member-states, have been exchanging ideas and perspectives on how we can build upon the robust partnership that already exists between India and ASEAN. This has benefited us tremendously.

For ASEAN, the year 2015 is a key milestone in its journey towards establishing a close-knit ASEAN Community. It also coincides with a decade of the East Asia Summit process, an ASEAN-driven leaders-led forum to address strategic, political and economic issues of regional and global import.

For us too, the year has started with a new development in our relationship with ASEAN. In January this year we established our independent Mission to ASEAN, which is reflective of our commitment to further intensify our engagement with the ASEAN. We also expect that the ASEAN-India Agreements on Trade in Services and Investment signed last September will enter into force later this year. This will complete our Free Trade Area with ASEAN and bring greater economic integration between our countries.

The new-found salience of our engagement with our eastern neighbourhood and beyond is evident from the fact that at the 12th India-ASEAN Summit and 9th East Asia Summit in Myanmar in November 2014, our Hon'ble Prime Minister, Shri Narendra Modi, underscored our government's resolve to move with a great sense of priority and speed to transform India's hitherto 'Look East Policy' into an 'Act East Policy.'

ASEAN lies at the core of India's Act East Policy and at the centre of our dream of an Asian Century. Since the launch of our Look East Policy in the early 1990s, we have matured from being Sectoral Dialogue Partners to being Strategic Partners.

We cherish the deep and abiding historical and civilizational links that anchor our relationship. At the same time, we are focusing on reorienting our partnership in the 21st century context to make it more pragmatic, action-driven and result-oriented. For this, we need to intensify our cooperation in security, trade, investment, connectivity and capacity building, and strengthening people-to-people linkages. I would focus my remarks today on these areas.

As countries inhabiting a contiguous geographical space, India and ASEAN member-states share several common traditional and non-traditional security

challenges. We are consciously forging concrete collaboration, both bilaterally and through such ASEAN-led fora as the East Asia Summit, ASEAN Regional Forum, ASEAN Defence Ministers Meeting (ADMM) Plus and the Expanded ASEAN Maritime Forum (EAMF), to ensure regional peace and security.

India has been co-chairing various inter-sessional meetings and workshops under the ARF and ADMM Plus. At the third EAS Workshop in Jakarta last year, India presented a paper on a dialogue-based, open, transparent and cooperative Regional Security Architecture. We have also consciously striven to step up our consultations with ASEAN mechanisms dealing with terrorism and other transnational crimes.

Following up on my commitment at the third meeting of the ASEAN-India Network of think-tanks in Hanoi last August, we hosted the first ever India-ASEAN Cyber Security Conference in New Delhi in January 2015. I would like to thank all ASEAN countries and the ASEAN Secretariat for their participation in the Conference.

We have also enhanced our participation in various Humanitarian Assistance and Disaster Relief (HADR) exercises undertaken under the rubric of EAS, ARF and ADMM Plus. In December 2014, we organised an EAS 24x7 Points of Contact Meeting in New Delhi and also launched a Virtual Knowledge Portal dealing with disaster management. India-ASEAN trade and investment relations have also been growing steadily. ASEAN is India's fourth largest trading partner. Our annual trade stood at over US\$ 76 billion in 2013, having registered an average growth of 22 per cent per annum over the past decade. The defining characteristic of our trade relationship is that it is largely balanced, which reflects the strong complementarities of our export-driven manufacturing industries.

The signing of a FTA in Goods in 2009 has given a spurt to bilateral trade. However, we need to make a special effort to achieve our target of enhancing trade to US\$ 100 billion by 2015, and our aspiration to double it to US\$ 200 billion by 2022. We will have to significantly augment the utilisation level of the Agreement on Trade in Goods and further liberalise the tariff lines. I am glad that the process has started to revive the ASEAN-India Trade Negotiations Committee to kick-start these discussions.

Investment flows are also substantial both ways, with ASEAN accounting for approximately 12.5 per cent of investment flows into India since 2000.

FDI outflows from India to ASEAN countries over the last 7 years were over US\$ 31 billion while FDI equity inflows into India from ASEAN countries during this period were over US\$ 25 billion.

As our Government actively works to ease norms for doing business under its 'Make in India' initiative, new vistas for investments from ASEAN into India are opening up. ASEAN companies could look for investments in a large number of sectors such as smart cities, roads and highways, ports, railways, power and urban infrastructure.

The India-ASEAN Agreements on Trade in Services and Investment will also unleash a large potential for mutual investment. Similarly, we will also encourage our businesses to seize the investment opportunities presented by an economically integrated ASEAN.

We are committed to engaging ourselves in constructive discussions on the Regional Comprehensive Economic Partnership, which involves ASEAN and its six dialogue partners, to ensure its early fruition with a balanced outcome. I understand that the B-to-B Session held earlier in the day as a curtain raiser to DD VII was productive and covered some of the issues mentioned by me.

Enhancing connectivity between India and ASEAN in all its aspects, physical, institutional and people-to-people, is a key strategic priority for us. Our North-Eastern region is our land-bridge to the ASEAN and I am delighted that the Chief Ministers of so many states from the region have spared their valuable time to be with us this evening to contribute to our deliberations.

We also have maritime boundaries with several ASEAN countries and this is particularly important from a trade perspective. We have started negotiations on an ASEAN-India Maritime Transport Cooperation Agreement and hope that it will be finalised by the end of the year.

We have made progress in implementing the Trilateral Highway project which proposes to provide seamless connectivity from Moreh in Manipur to Mae Sot in Thailand via Myanmar. We have also started negotiations on an India-Myanmar-Thailand Transit Transport Agreement to address soft connectivity issues.

Likewise, work is in progress on the Kaladan Multimodal Transport Project which will provide a road and riverine link between Myanmar and Mizoram as well as connect Indian ports to Sittwe port in Myanmar. Our experiment

with a dedicated fortnightly freighter service with Myanmar has proven to be a commercial success. We plan to commission a study soon to see if this experiment can be replicated, both for cargo and passenger services, with other South East Asian countries. We are also looking to expand air connectivity, particularly between our North East and South East Asia.

We are simultaneously endeavouring to see how we can transform the corridors of connectivity into corridors of economic cooperation. In this context, our Prime Minister announced at the 12th ASEAN-India Summit, establishing a Special Facility to facilitate project financing and quick implementation of connectivity projects. We are currently working out the modalities of this Special Facility.

Our Government has, meanwhile, also announced in the budget speech for this year, an SPV for setting up of manufacturing hubs and capacity building in CLMV countries.

A host of joint projects for functional cooperation in sectors ranging from agriculture to environment to ICT are underway, utilising the three dedicated Funds we have set up for ASEAN.

We are about to commence implementation of a space project, which will be the largest project under the ASEAN-India Fund, involving establishment of a Tracking & Data Reception Station and Data Processing Facility at Ho Chi Minh City in Vietnam by ISRO; upgrading of the Biak Station in Indonesia; as well as provision of training for space personnel from all ASEAN countries.

We will continue our assistance for human resource development and capacity building under the ITEC and Colombo Plan, the Mekong Ganga Cooperation (MGC) Quick Impact Fund initiative and the Bay of Bengal Initiative for Multi-Sectoral Cooperation (BIMSTEC). I am pleased to announce five new ITEC slots for the ASEAN Secretariat with effect from 2015.

We are also in the process of establishing Centres of Excellence in Software Development and Training and Centres for English Language Training in CLMV countries under the Initiative for ASEAN Integration—Narrowing Development Gap. This week, our project team is in Lao PDR and Vietnam, holding discussions with the host government on the establishment of these Centres of Excellence.

Our endeavour in our joint projects is to foster a spirit of co-ownership of the projects among institutions from India and ASEAN member-states.

Fostering people-to-people linkages remains at the heart of India's engagement with ASEAN. We will continue efforts to build upon the existing programmes for regular exchange of students, journalists, farmers, scholars and academics.

I would like to acknowledge, at this point, the presence of a delegation of ASEAN journalists amongst us, who are visiting India under the annual ASEAN-India Media Exchange Programme.

We host the ASEAN-India Centre in New Delhi and have also been extending modest financial support to the Economic Research Institute for ASEAN and East Asia annually since its inception. Going forward, we will explore ideas on how to further expand civil society interaction and collaboration.

Excellencies and Friends,

Our excellent bilateral ties with our ASEAN partners, which are largely 'sans irritants,' have laid a strong foundation for our Act East Policy. As ASEAN engages in charting out its post-2015 roadmap, our officials are also working on drafting the ASEAN-India Plan of Action for the period 2016–21, to translate the ASEAN-India Strategic Partnership Vision into concrete action. I, therefore, believe that the theme for Delhi Dialogue VII, 'ASEAN-India: Shaping the Post-2015 Agenda' is very apt.

I look forward to hearing the thoughts of my colleagues from ASEAN countries and our North Eastern States on how we can collectively shape our post-2015 agenda for greater progress and prosperity of our peoples and countries. I am confident that the deliberations this evening and tomorrow on various aspects of our multidimensional engagement will provide invaluable inputs for shaping our forward-looking agenda for the next five years.

I thank you for your attention.

3

Address by Deputy Prime Minister and Minister of Foreign Affairs of Thailand, H.E. General Tanasak Patimapragorn

Honourable Madam Sushma Swaraj, Minister of External Affairs,
Dr Jyotsna Suri, President of FICCI,
Excellencies,
Ladies and Gentlemen

I wish to thank Madam Minister for the kind invitation and the warm hospitality extended to me. I also congratulate FICCI for the successful Delhi Dialogue now in the seventh year. For centuries, the friendship between countries of South East Asia and India has been the cornerstone of Asia's peace and prosperity. Looking to the future, a strong and lasting ASEAN-India strategic partnership is crucial to sustain Asia's rise. This is why we welcome Prime Minister's Modi's Act East Policy. Shri Modi's vision comes at a time when ASEAN is becoming a community. We must seize this momentum and make our progress and prosperity truly meaningful for our peoples. So, let me share some ideas on how we can strengthen the ASEAN-India Strategic Partnership.

First, we must boost ASEAN-India physical connectivity in all aspects—land, sea and air. Thailand is ready to be India's gateway to ASEAN and East Asia. Conversely, India can be ASEAN's gateway to South Asia and the Middle East on land. Completion of the Thailand-Myanmar-India Trilateral Highway would transform North East India from being landlocked to land linked to

South East Asia. Furthermore, the trilateral highway will connect mainland South East Asia's East-West Economic Corridor to the Delhi-Mumbai Industrial Corridor and the Chennai-Bangalore Economic Corridor. At sea, the Indian and Pacific Oceans will be joined. Opportunities of investment in shipping lines and port infrastructure to connect the port of Chennai with Dawei in Myanmar, Laemchabang in Thailand onward to Phnom Penh and Ho Chi Minh City. By air, millions of travellers and business people are moving through our airports each year. Resumption of the negotiation on the ASEAN-India trans-border agreement is needed to reinforce the status of Delhi, Mumbai and Bangkok airports as the world's major air transport hubs.

Second, we must convert our transport linkages into real economic corridors. Our efforts in building hard infrastructure must go hand in hand with improving our software. At the ASEAN Foreign Ministers retreat last January, I emphasised to my ASEAN colleagues that we must do more work behind our borders by focusing more on harmonising domestic rules and regulations, particularly border procedures. This would help ease flows of goods, services and people as well as reduce production costs and strengthen our competitiveness. ASEAN and India should take this approach if we are to achieve the full potential benefits to our partnership. To our ASEAN partners I also suggest the one plus one concept. This means that whatever Thailand pursues in economic policy we will consider how to link that policy to our partners for mutual benefit. Indeed, India is Thailand's and ASEAN's strong partner to make this concept materialise further.

Third, ASEAN and India constitute a huge market of more than 1.8 billion people, nearly a quarter of the world's population and a combined GDP of \$4 trillion. With our Free Trade Agreement (FTA) in place, let us work hard to fulfil our leaders' vision of reaching \$100 billion in bilateral trade by the end of this year. Our FTA is also an important basis for the world's largest FTA, the Regional Comprehensive Economic Partnership or RCEP. We hope India will do her part to ensure its timely conclusion this year.

Fourth, we must move towards becoming creative and knowledge-based economies. ASEAN and India have much to offer for innovation to academic research and cooperation, especially in medicine, science and ICT. Shri Modi's idea about information highways or i-ways can help ASEAN and India build our digital connectivity through better use of ICT and e-commerce. ASEAN

and India can improve trade and investment flows. We also have much to learn from each other about how to increase agricultural productivity, food processing capability and energy efficiency. Together we can promote green growth and do our part to build global food and energy security.

Ladies and gentlemen, let me conclude by underscoring India's importance to the wider Asia-Pacific region. We are excited about India under Shri Modi's leadership. As the man of the people, his policies resonate well with ASEAN's goal of becoming a people-centred community. A strong vibrant India is crucial for regional progress and prosperity. We also welcome India's support for ASEAN centred regional security architecture. One cannot have prosperity without peace, so the fact that we are working together on both attest to the strong foundation we are building for the ASEAN-India strategic partnership. Thailand as a long-time friend of India and one of the founders of ASEAN will always strive to strengthen the vital partnership.

Thank you.

4

Address by Vice-Foreign Minister of the Republic of Indonesia, H.E. Mr Abdurrahman Mohammad Fachir

Excellency Madam Sushma Swaraj, Minister for External Affairs,
Ministers,
Colleagues,
Distinguished Ambassadors,
Ladies and gentlemen

It gives me great pleasure to join ASEAN colleagues to thank and address the Seventh Delhi Dialogue. On behalf of the Indonesian Delegation I wish to thank the Government of India for this continuous initiative, the excellent arrangements and generous hospitality. This Dialogue and its theme “ASEAN-India: Shaping the Post-2015 Agenda” are indeed very timely. It represents a follow up to the ASEAN-India Commemorative Summit in 2012 and ASEAN and related summits in November last year. Furthermore, it will certainly contribute to the run up of the upcoming 26th ASEAN Summit to be held in Malaysia next month.

At the end of this year, precisely on 31 December 2015, the ASEAN community will be established. At the same time, ASEAN now is also embarking on another milestone by formulating ASEAN Community Vision 2025. Through the Look East Policy which is now transformed into the Act East Policy, India has demonstrated its commitment and made significant contributions to the establishment of the ASEAN Community 2015. Indonesia

believes that India will be able to maintain this commitment working closely with ASEAN in the pursuit of ASEAN Community Vision 2025.

Excellencies, distinguished ladies and gentlemen, as ASEAN is moving to the ASEAN Community and Vision 2025, Indonesia under the new government has also set up nine missions called Navachita. Navachita is aimed at ensuring that Indonesia moves forward together with the development of the region and for the direct benefit of the people. The nine missions include, among others, the improvement of the quality of life of the people and enhancement of the nation's competitiveness. Indonesia believes that Navachita is relevant and is also in line with the efforts of ASEAN and India in order to achieve prosperity in the region. Therefore, I am confident that through Delhi Dialogue VII we will be able to further enrich our common endeavours in building a concrete meaningful and mutually beneficial cooperation, particularly between ASEAN and India.

Ladies and gentlemen, I would like to highlight the importance of maritime cooperation as one of the areas of cooperation mandated in the Vision Statement of the ASEAN-India Commemorative Summit as agreed by our leaders in 2012. The ocean and the body of water that surrounds ASEAN member-states and India are forever linked to our people's livelihood. At the 9th East Asia Summit on 13 November 2014, President Jokowi of Indonesia presented the concept of World Maritime Fulcrum. With a view to its realisation, Indonesia has identified five main pillars in its development agenda which are as follows: first, to rebuild maritime culture where oceans are significant assets that unite the nations and integrate economic development across the countries. Second, redouble the efforts to preserve and manage its marine resources through the development of fishing industries as well as the livelihoods of fisher folks; we need to ensure that maritime resources will benefit the people. Third, to provide highest priority to the development of maritime infrastructure and connectivity, logistics of shipping industry as well as marine tourism. Fourth, through maritime diplomacy we shall work together in maritime sector. Together, we must eliminate the source of conflict at sea. The sea must unite us instead of dividing us. Fifth, the obligation to build the strength of maritime defence. This is necessary not only to protect sovereignty and maritime resources, but also to meet our common responsibility for ensuring the safety of shipping and the security of the seas.

We must eradicate the source of conflict at sea such as harmful land-based and sea-based pollution, illegal unreported and unregulated fishing, border and maritime territorial disputes, sea piracy and armed robbery, and other traditional and non-traditional security challenges. The sources of conflict are not only a barrier to economic development and marine ecosystem, they are also a threat to the security of coastal states.

Excellencies, against that background, as the logical way forward, we would need to work together on the implementation of this initiative through the various ASEAN-led mechanisms which currently exist and where India is involved. Indonesia welcomes the ongoing process of drafting the plan of action to implement the ASEAN-India partnership for peace, progress and shared prosperity. In our effort to enhance and promote ASEAN-India cooperation, we also need to strengthen various relevant ASEAN led mechanisms such as the ASEAN Defence Ministers Meeting (ADMM Plus), the expanded Maritime Forum and the ASEAN Regional Forum. Maritime cooperation shall be one of the essential ingredients in this mechanism. It is equally important that India works closely with ASEAN in enhancing maritime cooperation in the framework of ASEAN-India strategic partnership as well as the East Asia Summit Cooperation. We, therefore, expect that India could support Indonesia's initiatives towards the East Asia standalone statement on enhancing regional maritime cooperation as one of the deliverables of the 10th ASEAN Summit this year. As the future Chair of Indian Ocean Rim Association for 2015 to 2017, Indonesia is confident that ASEAN and India could expand their cooperation not only as a potential trade channel but also in potential marine resources conservation and in the information technology and tourism sector.

To conclude, I would like to once again extend our sincere appreciation to India for convening this annual Delhi Dialogue. This Dialogue will continue to serve as an important mechanism for strengthening the ASEAN-India partnership as it involves various stakeholders in policy making and its realisation. I thank you.

5

Address by Minister of Education, Youth and Sports of Cambodia, Dr Hang Chuon Naron

Excellency, General Tanasak, Deputy Prime Minister and Minister of Foreign Affairs of Thailand

Excellency Smt Sushma Swaraj, External Affairs Minister of India

Excellency Dr Suri, President of FICCI,

His Excellency Dr Mochtan, Deputy Secretary General of ASEAN,

Hon'ble Heads of the Delegation from ASEAN countries,

Hon'ble Ambassadors,

Hon'ble Chief Ministers,

Distinguished guests,

Delegates,

Ladies and gentlemen,

I am honoured and privileged to address this august gathering at the Seventh edition of the Delhi Dialogue. I would like to thank the Government of India and organisers for the excellent arrangements for this premier forum to discuss issues related to building connectivity between India and ASEAN in anticipation of the establishment of the ASEAN community by the end of this year.

India has been a longstanding dialogue partner of ASEAN and the vision statement adopted at the ASEAN-India 20th Anniversary Commemorative Summit provides future direction of our strategic partnership in support of

the ASEAN community building process and the ASEAN centrality. India and ASEAN have longstanding maritime trade and people-to-people relationships. The three recently signed agreements in Myanmar, covering ASEAN-India trade in goods, services, and investment will underpin the Act East emphasis in India's Look East Policy. Cambodia welcomes India's plan to invest in CLMV countries. Therefore, in order to shape our post-2015 agenda, I would like to humbly share some views on the way forward in building this strategic partnership between India and ASEAN, according to the three pillars as follows.

Pillar No. 1, People-to-People Connectivity. ASEAN and India should promote a cultural renaissance by organising joint cultural events and festivals. We should intensify efforts to maintain civilizational bonds between Indianised states of South East Asia and India. This shall include the *Ramayana* festival in which all 11 countries present their own versions of this great Indian epic. Joint exhibition of Indianised statues, the 12th century temple in Cambodia used to house grandiose statues representing another Indian epic, the *Mahabharata*. The recent Hindu festival in Siem Reap was a success. The Nalanda International University is also the testimony to the ASEAN-India cooperation. We must also take steps to enhance cooperation in tourism by linking various Buddhist cities such as Bodh Gaya in India, Bayon Temple in Cambodia built by the Great King Jayavarman VII in the 13th century, Borobodur, Sukhothai, Luang Prabang and Mù Sôn.

We should support ASEAN community building by establishing the ASEAN-Bologna process through which there could be mutual recognition of diplomas, credit transfers, academic exchanges and joint research projects. A network of vocational training centres, including in the area of IT and teacher training, could help address skill mismatch in our respective countries. Recognising India's high capacity and capability in the IT sector, India's involvement in sharing its IT knowledge and experiences with ASEAN member-states would be much appreciated, including the realisation of India to establish IT training centres in CLMV countries. In the area of youth cooperation, it is worthwhile to celebrate the abundant spirit among our young people to promote the *panchashila* principles of peaceful co-existence. ASEAN+India games should be promoted. We all know that Indian ancient martial arts have been the source of inspiration for many Asian martial arts such as De Campo, Karate, etc.

Pillar No. 2, Regional Connectivity. The recent regional architecture in the Asia-Pacific has been evolving extensively due to the recent development of political and economic landscapes in the region. In this context, we appreciate India's support for the ASEAN centrality in the evolving regional architecture in ASEAN-led mechanism. In particular, the ARF, the East Asia Summit, the ASEAN Defence Ministers Meeting Plus in order to foster constructive dialogues and consultations on political and security issues faced by the region. I am convinced that the ASEAN-India FTA as well as liberalisation of trade and services and investments, including the negotiation on Regional Comprehensive Economic Partnership (RCEP) will increase our trade volume to more than \$100 billion by the end of this year and to \$200 billion as proposed by Her Excellency the Minister by 2022, increasing investment as well as fostering business-to-business relations between ASEAN and India for a market of 1.8 billion people. In this regard, PPP must be promoted further.

Pillar No. 3, Physical Connectivity. Stronger coordination between ASEAN and India on physical connectivity should be encouraged; focusing on land, maritime and air connectivity in the following areas: India-Myanmar-Thailand Trilateral Highway with its extension to Cambodia, Laos and Vietnam. Industrial corridors should also be developed along the highway including the Indo-Mekong industrial corridor that links mainland South Asia to Dawei Port in Myanmar, then to the Mumbai-Delhi industrial corridor. This cooperation would also include logistics, transit and insurance and other forms of financial services and therefore would transform our sub-region into the industrial cluster and joint production base. The India-ASEAN maritime silk route will cover not only hard infrastructure such as designated ports, but also soft connectivity such as rescue operation, law of the seas, maritime law, harmonization of maritime rules, and regulation and shipping agreements. Air transport connectivity will include the potential areas such as open sky agreement. Thus, enhancing connectivity between ASEAN and India will shape the post-2015 agenda of the Delhi Dialogue which is one of the key mechanisms to promote Track 1 and Track 2 interactions between ASEAN and India.

ASEAN member-states welcome more engagement from India in the private sector and explore possible cooperation on public-private partnership to support the implementation of ASEAN connectivity projects. In conclusion,

the three main forms of connectivity will contribute to realisation of the ASEAN-India FTA with a combined market of almost 1.8 billion people and establishment of the ASEAN community by the end of 2015. This strategic partnership will progress towards a peaceful, prosperous and emerging Asia, thus promoting regional peace and security.

Thank you for your attention.

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Summary of Panel Discussions

Panel Discussion 1: Building Connectivity between India and ASEAN

Panel 1 dealt with Building Connectivity between India and ASEAN. The need for better connectivity between the two regions has been emphasised in a number of discussions which have taken place during Delhi Dialogue VII, and the emphasis—to begin with—in this panel discussion was how it may be accelerated. Many measures have been taken already—the question to be considered is how they can be speeded up.

Since both the ASEAN participants and ministers and chief ministers from India's North Eastern states participated in this discussion, it was possible to have a well-rounded, useful outcome which enables one to see the several points of view of varied stakeholders.

Ms. Ajanta Neog, Assam's Minister for Planning and Development pointed out that Assam—a gateway to the North Eastern Region, has been emerging as a regional business hub and herein the Stilwell Road needed to be developed to improve connectivity with the ASEAN region and beyond. The Vietnamese speaker felt that connectivity played a key role in ASEAN community building and is very important to strategic partnership between ASEAN and India. So far as physical connectivity is concerned, he welcomed the outcome of the second ASEAN-India connectivity Coordinating Committee meeting in Myanmar in 2014 which identified a list of six projects to better connect India with ASEAN both by road and sea. He wanted India to extend assistance in implementing the India-Myanmar-Thailand Trilateral Highway further eastward to Cambodia, Laos and Vietnam. Institutional connectivity was

furthered by two important agreements—the ASEAN-India Agreement on Trade and Services and the ASEAN-India Agreement on Investments. Another important institutional arrangement that ASEAN and India are embarking on with other major economies and East Asia, is the RCEP. He was appreciative of Indian efforts and systems in bringing people closer together through different initiatives and programmes like the Delhi Dialogue, and the ASEAN-India Young Farmers Exchange Programme.

H.E. Mr Yong ChanthaLangsy, Director-General, Institute of Foreign Affairs of the Ministry of Foreign Affairs, Lao PDR said that a lot of investment would be required and that governments alone cannot achieve it. The business community, think tank community and media, who were all present at the Delhi Dialogue, would have to contribute on an ongoing basis. Thanks to Look East policy of India, trade and exchange of goods and services between the two regions will increase significantly; but for that all areas of connectivity would have to be built up. Laos had opened up all the corridors passing through it in order to boost connectivity in the region. Also, Laos was working with ADB to develop connectivity in road transportation, river navigation and power grid.

The moderator wanted to know from the Chief Ministers of the North Eastern States how they thought India's Act East policy would benefit their states. It became clear from the discussions that both the ASEAN participants and those from North East felt that development in the North East required a lot of attention. The Arunachal Pradesh Chief Minister felt that if the North East is circled, many neighbouring countries can be made part of the development project; therefore, it can be a centre of development. Air connectivity of the North Eastern states to all ASEAN capitals would be a step in the right direction. Intensive road connectivity needed to materialise as it would generate lot of development not only in tourism but economic and industrial development. The Moreh checkpoint at the international boundary on the India side has started to function but needs to be given a push.

Mr Okram Ibobi Singh, the Chief Minister of Manipur emphasised that people-to-people connectivity is not possible without strong physical connectivity. From the Government of India's side steps have already been taken to develop facilities at Moreh—the international boundary town of India-

located next to Tamu. He wanted the bus service from Moreh to Mandalay to be started without delay. As for air connectivity, he pointed out that from Guwahati to Imphal it takes around 45 minutes and from Imphal airport to Mandalay it takes only one hour. To put things in perspective, he said that the air journey from Delhi to Guwahati takes two and a half hours. The railway connectivity from Jiribam to Tupul is one of the fastest broad gauge national projects being constructed with the initiative of the Government of India. He hoped that by 2017 it will reach Imphal. He drew the attention of Indian External Affairs Minister to the need to extend the railway line from Imphal to Moreh so that it can become well connected with South East Asian countries. Once the railway and bus services reach Mandalay then it can be easily connected to Thailand and then Laos and Vietnam can be connected and then even on to China and Japan. He pointed out that people to people contact had already started. He gave the example of the annual festival in Manipur to which Myanmar and Thai representatives had already come. If something like the national highway from Mandalay to Yangon could be constructed with Myanmar-India cooperation then the two countries can come even closer and the volume of business can increase exponentially.

H.E. U Tin Oo Lwin, the Deputy Foreign Minister of Myanmar, emphasised that connectivity will basically benefit the people of the region. Since Myanmar is one of the gateways of ASEAN and India, it is an important area of that connectivity. The road connectivity and connectivity in business, investment and other sectors must be improved.

Panel Discussion 2: Future Directions of the India-ASEAN Strategic Partnership

Panel Discussion 2 dealt with 'Future Directions of the India-ASEAN Strategic Partnership'. The ASEAN-India partnership which is now 23 years old has been a multifaceted relationship encompassing economic, cultural and other dimensions. The ASEAN-India Vision Statement at the Commemorative Summit in New Delhi in 2012 elevated the partnership to a strategic level.

In a fast changing world, all partners need to be always alert to the demands of the security situation around them. As pointed out by participants, even to consolidate the gains made in the economic sector India and ASEAN need to establish strategic mechanisms to preserve these gains. The panel discussion

focussed on the needs of the partners in the strategic sphere and policy that the ASEAN countries want to see emanating from India in this partnership.

According to Dato' Ramlan Ibrahim, the Deputy Secretary General (Bilateral Affairs), of the Ministry of Foreign Affairs of Malaysia now is the time to "fine tune" a strategic perspective which has already been in process of being articulated. Asking the right questions is important and this would help in answering what is hindering progress. He believed that a "transformative mind-set" is required and there is a need to reinvent oneself in terms of how to do business with one's partners. Mr Julito Vitriolo, Executive Director (Joint Secretary) Commission of Higher Education of the Philippines felt that it is a big region and there are lot of tasks to be accomplished. It is important for the partnership to sustain the efforts and initiatives and the gains because it is big region and there is a need to prioritise the things we have to do as a community. He pointed out that it is not just an economic partnership but it goes beyond that. Therefore, strategic mechanisms are needed to preserve these gains.

Mr Simon Wong, Deputy Secretary, (International), Ministry of Foreign Affairs, Singapore felt that there is potential but it needs to be actualised. He suggested that micromanagement was hindering the relationship from achieving its potential. He was appreciative of Prime Minister Narendra Modi's view that countries which want to do business with India can go directly to the Indian states. He felt that leaders should not visit alone but bring along business delegations. He pointed out that Singapore had already embarked on a smart city collaboration project with Andhra Pradesh; this was an experiment on a small scale which could be taken to other parts of India.

In the discussions regarding the bottlenecks in the way of progress one of the speakers said he would not call it a bottleneck but rather a challenge on which joint action is necessary. He was in favour of the base of the relationship to be broadened and the stakeholders increased, for example, media needs to be involved more. Since the legal frameworks and administrative mechanisms are not uniform in the two regions they also pose bottlenecks and hindrance in the facilitation and liberalisation process.

One of the participants reminded that in the entire process not only we are connecting people we are also building people. He felt that this is one area which needs to be given priority and visibility in terms of India-ASEAN

partnership. On the question of peace he said that India and ASEAN should utilise platforms such as the recently established ASEAN Institute of Peace and Reconciliation to pursue cooperation and peace building particularly in the area of conflict management and conflict resolution through mediation. He felt that there could be various other activities of cooperation that could be initiated within the six areas of practical cooperation under the ambit of ADMM Plus.

Dr A.K.P. Mochtan, Deputy Secretary-General, ASEAN said that when we look into the future we must be sure we have a very firm foundation and tread on firm ground. He felt optimistic about the progress made till date and agreed that it was an opportune time to take stock. He was of the opinion that the cooperation could not be limited to ASEAN capitals and New Delhi but should be taken even beyond that.

To sum up, there was a broad consensus about the need to do much more, and with greater focus and prioritisation—in order that the full potential of the partnership is realised.

PART II
BUSINESS SESSION

Remarks

A.K.P. Mochtan

Special Remarks

Anil Wadhwa

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Welcome Speech at Business Session by President, FICCI, Dr Jyotsna Suri

H.E. Dr. A.K.P. Mochtan, Deputy Secretary General, ASEAN Secretariat,
Mr. Anil Wadhwa, Secretary (East), Ministry of External Affairs, Govt of India,
Dr. A Didar Singh, Secretary General, FICCI
Business Leaders from India and ASEAN,
Friends from the Industry,
Ladies and Gentlemen,

I am pleased to welcome you to the Business Session of the Delhi Dialogue which is being organised for the first time on the sidelines of this important event. FICCI has been privileged to be associated with the Delhi Dialogue since its inception and the business session this morning and afternoon will be a great opportunity to hear views from the industry on two very important and relevant developments that will impact our trade and economic relations.

I also welcome eminent speakers from both Indian and ASEAN companies who are here to participate in the two panel discussions: ASEAN Economic Community: Benefits for the ASEAN and Indian Industry and Trade in Services as driver for future economic cooperation.

The current leadership in India is focused on enhancing engagement with ASEAN and this clearly reflects in its declaration that India's "Look East Policy" has now changed to "Act East Policy". In the recent Union Budget, the Government has announced that it would facilitate private sector investments

in Cambodia, Laos, Myanmar and Vietnam, popularly known as the CLMV countries through a project development company. This will encourage more Indian investments in the region.

The ASEAN is a key trading partner of India and our total trade last year was close to US\$ 75 billion. We must aim to reach the target of US\$ 100 billion by 2015 and US\$ 200 billion by 2022.

We signed a wide ranging Free Trade Agreement in 2009 and the Trade in Services and Investments Agreement with ASEAN in August last year. These agreements will give a boost to our trade in goods and services with ASEAN.

All these developments, coupled with the ASEAN Economic Community and the proposed Regional Comprehensive Economic Partnership (RCEP), which is currently under negotiation also have the potential to change the regional architecture and bring us a step closer to realizing the dream of the “Asian Century”.

However, trade and business have been hindered because of poor connectivity between ASEAN and India and there should be joint efforts to address this issue. Better land connectivity with ASEAN will also help India’s North East to become a hub of economic activity with Myanmar serving as the gateway to the entire ASEAN region.

We are indeed thankful to the Ministry of External Affairs, Government of India for giving us this opportunity to organise the Business Session at this year’s Delhi Dialogue. Participation from the industry and the private sector will enrich the overall discussions and help the policymakers from India and ASEAN to understand and take note of their views.

We look forward to such exchange of ideas today as well as in the future editions of Delhi Dialogue.

Thank you.

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Remarks by Deputy Secretary-General of ASEAN, H.E. A.K.P. Mochtan

Honourable Dr Jyotsna Suri, President of FICCI,
H.E. Anil Wadhwa, Secretary (East) of Ministry of External Affairs of India,
Dr A Didar Singh, Secretary-General of FICCI,
Excellencies, Distinguished participants, Ladies and Gentlemen.

On behalf of the Secretary-General of ASEAN, His Excellency Le Luong Minh, I would like to express appreciation to the Ministry of External Affairs of India, and partner institutes for hosting the Delhi Dialogue VII, and for inviting me and the ASEAN Secretariat. I would also like to congratulate the organisers for having included the business session in Delhi Dialogue VII.

ASEAN and India relations have evolved, grown from strength to strength since ASEAN and India started from sectoral Dialogue Partnership in 1992 to a full dialogue partnership in December 1995 and elevated to a Strategic Partnership at the 20th Anniversary of ASEAN-India Relations in 2012.

We have also various agreements in place; these include, Plan of Actions to Implement ASEAN-India Partnership for Peace, Progress and Shared Prosperity and the Vision Statement adopted at the ASEAN-India Commemorative Summit in 2012. In the business sector, we have the ASEAN-India Trade in Goods (TIG) Agreement signed in 2009 and the ASEAN-India Trade in Services and Investment Agreement, which is waiting for ratification and scheduled for implementation in July 2015.

Altogether, this is an exciting time for ASEAN in its journey of almost 50 years. ASEAN started with security, stability and peace as its primary objectives. Now ASEAN has progressed. Economic progress and socio-cultural harmony are equally important objectives for ASEAN. Hence, ASEAN has three community pillars; namely the Political Security Community, Economic Community and Socio-Cultural Community.

Since we are talking about business, allow me to give illustration of the latest situation. On the way to New Delhi, I picked up a latest book entitled *Think ASEAN! Rethinking Marketing Towards ASEAN Community 2015* by marketing gurus Philip Kotler, Hermawan Kertajaya and Hooi Den Huan. One of the messages in the book is to forget the world, think ASEAN. Why? Because the integration process is already happening. The combined GDP of ASEAN is already US\$ 2.4 trillion according to statistics. If ASEAN was a single country, this makes ASEAN the seventh largest economy in the world which is projected to be the fourth largest economy by 2050, in combined total GDP terms.

In we put it in the context of ASEAN-India relations there has been progress, but we need to question if the progress we are making is sufficient? Whether we are really tapping the advantage of the ASEAN integration and connectivity?

ASEAN-India trade is about US\$ 70 billion and the target of 2015 is about US\$ 100 billion, while the total ASEAN trade, extra and intra, is about US\$ 2.5 trillion. This makes India the seventh largest trading partner of ASEAN. Compared to the total trade, however, there is a lot of room for improvement.

In the ASEAN-India relations context, the figures are very impressive, with 1.8 billion combined population and huge resources. India is actively involved in the ongoing Regional Comprehensive Economic Partnership (RCEP) negotiations, which we very much hope to be completed by the end of 2015.

To inspire us on how to move forward, I think we can do the following: On the Government side, ASEAN and India relations are excellent. We have all the mechanisms in place; the annual ASEAN-India Summit, ministerial meetings, senior officials meetings, expert group meetings, as well as the ASEAN-India Fund. The placement of the Resident Ambassador of India to ASEAN in Jakarta, H.E. Suresh K. Reddy, shows the intensification of the

ASEAN-India relationship. But when it comes to further elevating the Strategic Partnership, we will have to go beyond only Government-to-Government relations, and we will also require participation from the business sectors, think tanks, media and other stakeholders.

I very much look forward to the discussions, to the ideas that will be discussed to further advance, accelerate and deepen the ASEAN-India relations. On that note, I again thank the organisers and wish a very fruitful discussion. Thank you very much.

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Special Remarks by Secretary (East), Ministry of External Affairs, Mr Anil Wadhwa

H.E. Mr. A.K.P. Mochtan, Deputy Secretary General for ASEAN Corporate and Community Affairs, Dr Jyotsna Suri, President, FICCI, Dr A. Didar Singh, Secretary General, FICCI, Distinguished Guests, Ladies and Gentlemen.

On behalf of the Government of India and our partners of Delhi Dialogue VII, I extend a warm welcome to all of you. It is a great privilege to participate in the first-ever full-fledged Business Session of the Delhi Dialogue, bringing together CEOs from both ASEAN member-states and India.

Over the last six years, the Delhi Dialogue has emerged as the premier Track 1.5 dialogue process for strengthening India's engagement with ASEAN member-states. It has helped broad base the interface for the ASEAN-India strategic relationship to include policymakers, the strategic community, academia and media, as well as representatives of business and industry to share their thoughts.

With the strengthening of this Dialogue process, the ASEAN-India relationship has expanded in significance over the years and is at the core of India's Act East Policy. With 26 dialogue mechanisms, including a summit and seven ministerial level meetings, a structured interface for engagement between the think tanks in our region and creation of an ASEAN-India Centre, exchange programmes for media, students, farmers, diplomats and the opening of our new Mission to the ASEAN, we have built a strong foundation for our future ambitions.

At the 12th ASEAN-India Summit in Nya Pyi Taw in November last year, Prime Minister Modi had observed that India has moved with a great sense of priority and speed to transform our 'Look East Policy' into 'Act East Policy'. The increased focus on India's Eastern neighbourhood and beyond is clearly discernible from visits by our Prime Minister to Japan, Myanmar, Australia and Fiji, and high-level visits to India from Australia, Vietnam and Singapore in the recent past.

India's Act East Policy has very strong economic underpinnings. The Vision Statement adopted at the ASEAN-India Commemorative Summit in 2012 looked at the unprecedented prospects for economic engagement in our region as one of the anchors to our Strategic Partnership. As ASEAN and India have experienced economic growth and achieved success in progressing towards socio-economic goals, the importance of economic cooperation has become even more salient. One of the key components of our Act East Policy is expanding our economic engagement and integration with the Asia-Pacific region.

This is very relevant at this time when the economic fundamentals of the global economy are being driven by the growth engine of Asia and the Asia-Pacific region is showing unparalleled dynamism in political, security, economic and demographic terms. By the end of this year, ASEAN will move towards the ASEAN Economic Community which is envisioned as the culmination of decades-old economic integration efforts to create a free market for goods, services, investment, capital, and skilled labour. The AEC will provide additional dynamism and growth to the region's 600 million consumers and producers, who will collectively constitute the world's seventh largest economy. The establishment of AEC opens up many possibilities for Indian industry, especially as we embark on our new goal of double digit growth.

The region comprising ASEAN and India together represents a combined population of 1.8 billion, which is a quarter of the global population, with a GDP of over US\$ 3.8 trillion, creating one of the largest economic spaces in the world, and offering immense opportunities for the region. The implementation of the ASEAN-India Free Trade Agreement in Goods, which was signed in 2009, has elicited a positive response from the business community and translated into a significant increase in bilateral trade, which has risen from under US\$ 44 billion in 2009-10 to over US\$ 74 billion in

2013-14. With ASEAN-India trade at US\$ 74.41 billion in 2013-14, the ASEAN is currently India's fourth largest trading partner. Yet, the trade level is well below our true potential and we hope that the FTA in Goods, when reviewed, will lead to better efficacy and results.

In the recent past, investment flows have also expanded with US\$ 25 billion FDI equity flowing into India from ASEAN countries and US\$ 31 billion in outflows from India to AMS over the last seven years (i.e., between April 2007-March 2014). The signing of the Agreements on Trade in Services and Investment last September and their expected entry into force later this year will give a much needed ballast to our economic engagement. It will hopefully also rectify the trade and investment balance, which is currently somewhat in favour of ASEAN. Our aspiration is to take ASEAN-India trade to US\$ 200 billion by 2022, and the RCEP negotiations, which are currently underway, will also contribute to this.

The Act East policy of the Government of India endeavours to cultivate extensive economic and strategic relations in South East Asia. In order to catalyse investments from the Indian private sector in this region, a Project Development Company has been announced by our Finance Minister on 28 February 2015. It will, through separate Special Purpose Vehicles (SPVs), set up manufacturing hubs in CMLV countries (Cambodia, Myanmar, Laos and Vietnam).

In keeping with trends of economic globalisation and regional integration, there is a need to see greater engagement between the private sectors of ASEAN and India. Active participation by these stakeholders will facilitate the early realisation of the true potential of our economic partnership. In India, this has been facilitated by the fresh mind-set of the new Government which has instilled confidence among the business community. Underlining the importance to the connectivity agenda, the Prime Minister had during the 12th ASEAN-India Summit announced establishment of a special facility to facilitate project financing and quick implementation of ASEAN-India connectivity projects with provision of US\$ 1 billion over a 10 year period to catalyse investment from the Indian private sector to the tune of US\$ 10 billion over the same period. This will also include identification of economic nodes and development of back-end linkages to achieve a symbiotic model of

development and integrate our North East with regional value chains in the ASEAN region.

A political mandate for reform and a benign external environment have created a historic moment of opportunity to propel India into a double digit growth trajectory. We have embarked on the new growth trajectory with emphasis on infrastructure, manufacturing, trade, agriculture, skill development, urban renewal, affordable housing, industrial corridors and smart cities.

Manufacturing and trade have been the engines of growth in the post-war period for most economies, especially in Asia. The validity of the experience acquires salience in the context of our 'Make in India' initiative. Our stated policy objective is job creation through revival of growth and investment and promotion of domestic manufacturing and 'Make in India'. Reforms have been initiated in a number of areas and major ones are on the horizon. The emphasis has been on rapidly improving ease of doing business and launching fresh initiatives like 'Make in India' and Digital India, creating the National Industrial Corridors Authority, streamlining environment, forest clearances and labour reforms.

While 'Make in India' has occupied prominence, the Prime Minister's other goal of Skilling India is no less important and perhaps deserves as much attention. India is one of the youngest nations in the world with more than 54 per cent of the total population below 25 years of age. Our young people have to be both educated and employable for the jobs of the 21st century. The Prime Minister has articulated that Skilling India needs to be closely coordinated with 'Make in India'. Enhancing the employability of youth is the key to unlocking India's demographic dividend.

Besides these, there is vast potential for economic cooperation and forging partnerships in various sectors between ASEAN countries and India. We are making good progress towards ushering in Digital India and Clean Ganga Mission and would welcome ASEAN countries to support our initiatives. DMIC corridors of the Ahmedabad-Dhule Investment Region in Gujarat and the Shendra-Bidkin Industrial Park near Aurangabad, in Maharashtra, are now in a position to start work on basic infrastructure. Moving ahead with the Government's focus on building infrastructure, we are setting up Mega Power Projects in plug-and-play mode and considering setting up similar

projects in roads, ports, rail lines, airports etc. Swachh Bharat Mission, Heritage City Development and Augmentation Yojana and Smart City Schemes have been launched to develop urban infrastructure. In furtherance of our vision of inclusive growth, we aim to provide Housing for all by 2022. This would require building two crore (20 million) houses in urban areas and four crore (40 million) houses in rural areas.

Growth, development and economic prosperity are at the core of the ASEAN-India Strategic Partnership. Our growing relations with ASEAN and the larger Asia-Pacific neighbourhood has the potential to bring about a significant positive developmental impact on our North Eastern region as well. Our Prime Minister has emphasised that the North East requires a boost. By involving the Chief Ministers of North Eastern States in the Delhi Dialogue process, we have included state governments as key stakeholders. Being our land bridge to ASEAN, the North East is a natural partner in India's Act East Policy, especially with respect to the connectivity agenda.

Our civilisational heritage, collective human resource potential and the diversity of our natural resources work together to strengthen the dimensions of India-ASEAN Strategic Partnership. In order to utilise these optimally, we need to reinforce physical, institutional and people-to-people connectivity between ASEAN and India. After the success of Visa on Arrival extended to travellers of 43 countries, including eight ASEAN countries, the Government is planning to extend this facility to 150 countries in a phased manner. We hope to see increased contacts between students, youth, teachers, parliamentarians, diplomats, media, farmers, artists and experts between ASEAN countries and India.

The afternoon session of today will deliberate on 'Trade in Services as Driver for Future Economic Cooperation.' India's dynamic services sector has grown rapidly in the last decade with almost 72.4 per cent of the growth in India's GDP in 2014-15 coming from this sector. The Indian growth story has been led by services-sector growth which is now in double digits. Several ASEAN countries have strength in key services sectors like ports and logistics, warehousing, tourism and hospitality, food processing, preservation and packaging, etc. We hope that they would look at leveraging the market potential and the liberal investment regime in India in these sectors.

Keeping in mind the strength of India and some ASEAN countries in the

services sector, we see the Services Agreement as a game changer in this regard. It is based on the GATS, follows a positive list of modalities for scheduling, and contains comprehensive review clauses and a protocol on Movement of Natural Persons. I look forward to an objective analysis of the Agreement in the afternoon session and hearing views of both sides on the immense possibilities the services sector offers.

I would like to conclude by saying that we require an approach that seeks to realise the ASEAN-India vision for partnership and prosperity in an integrated, inclusive and multi-modal manner so that it is in our mutual interest and sustainability in the long-term.

I congratulate FICCI and thank all the participants from ASEAN countries and India who will undoubtedly make the Business Session of DD VII a grand success. In the season of the Cricket World Cup, we can say that we are off to a flying start as far as DD VII is concerned. I look forward to your conclusions today and to your practical suggestions for translating the Vision Statement in its economic and developmental dimensions.

Thank you.

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Report of Business Session of Delhi Dialogue VII held on 11 March 2015

Hon'ble External Affairs Minister of India, Mrs. Sushma Swaraj inaugurated the seventh edition of the Delhi Dialogue on 11 March 2015 with the broad theme "ASEAN-India: Shaping the post-2015 Agenda". The Delhi Dialogue VII assumes even more significance on two accounts. One, it comes in an year which is a milestone in the history of ASEAN, as it moves towards the ASEAN Economic Community which is the culmination of decades-old economic integration efforts to create a free market for goods, services, investment, capital, and skilled labour. Secondly, it comes at a time when India's own foreign policy has entered an era of new vigour and dynamism as our erstwhile 'Look East Policy' transforms into an 'Act East Policy'.

Panel Discussion on ASEAN Economic Community: Benefits for the ASEAN and Indian Industry

Panelists:

Mr Ranjit Barthakur, Chairman FICCI North East Council and Chairman, Globally Managed Services.

Mr M.P. Bezbaruah, Member of the North Eastern Council, Government of India.

Mr Rajeev Kumar Gupta, Head, International Business for South East Asia, Far-East, CIS and Europe, BHEL.

Mr O.P. Lohia, Senior Executive Committee Member FICCI and Managing Director, Indo Rama Synthetics (I) Ltd.

Mr N.K. Verma, CMD, ONGC Videsh Ltd.

Mr Khin Maung Win, Chairman, Myan Shwe Pyi Tractors Limited, Myanmar.

Tan Sri Datuk Ravindran Menon, Executive Director, Ara Group of Companies, Malaysia.

Mr Anusourn Muttariad, Executive Director, Delta Electronics (Thailand) PCL, Thailand.

Mr Nguyen Van Tuan, Standing Vice Chairman, Vietnam Cotton and Spinning Association (VCOSA), Deputy General Secretary cum Chief Representative of HCMC Office, Vietnam Textile and Apparel Association (VITAS), Vietnam.

Moderator: **Mr Pranjal Sharma**, Advisor-Public Diplomacy, FICCI, Consulting Editor to *BusinessWorld* and Member of the Global Agenda Council, World Economic Forum.

The Panel discussion was opened by the moderator, Mr Pranjal Sharma, who initiated the discussion by mentioning that India's foreign policy is signalling alignment towards the ASEAN region and significant steps need to be taken to make ASEAN and India come closer.

Mr M.P. Bezbaruah, Member of the North Eastern Council, Government of India emphasised the common areas which make India and the ASEAN natural partners. There are several sectors that the two regions are working together and these include enhancing tourism with special focus on Buddhist tourism, connectivity and manufacturing. But this collaboration has to be taken to a higher level. The connectivity should transform to also realising an economic corridor. More emphasis has to be laid on enhancing the manufacturing and production.

The Chairman of Myan Shwe Pyi Tractors Limited, Mr Khin Maung Win highlighted that Myanmar is placed at a strategic location for India to use it as a gateway to trade with ASEAN. Myanmar can act as the base to connect Lao PDR, Cambodia, and Thailand. Myanmar has recently opened up its economy and is still a developing country. Though the country has its own challenges, there are advantages for India and Myanmar to become natural partners. The two countries share common cultural and often family ties. Mr Win closed his remarks by mentioning that India-Myanmar collaboration

would give the SMEs of both the nations better access to the flow of capital and technology.

He was followed by Mr O.P. Lohia, Senior Executive Committee Member FICCI and Managing Director, Indo Rama Synthetics (I) Ltd., which has a significant presence in the ASEAN region. He said that ASEAN is a land of good opportunities and India and ASEAN share similar cultures. Most of the ASEAN countries have their focus on infrastructure development. India has the opportunity to bank on this region's rapidly growing market. He particularly mentioned Indonesia as the emerging economic giant in the ASEAN region. He also said that his company had a very good experience of doing business in the region. The investment climate was favourable and the people to people connect was also encouraging. He encouraged businesses from ASEAN to invest in India.

Mr. Nguyen Van Tuan, Standing Vice-Chairman, Vietnam Cotton and Spinning Association (VCOSA) spoke about the textile industry of Vietnam. As per him, eventually the country would turn into a destination for global value chains across the textile industry. The Government of Vietnam was focusing on this sector aiming to double its contribution by 2035 and had also been encouraging PPP investments. Vietnam imports cotton from India and would like to see Indian investments in their country.

Mr N.K. Verma, Managing Director, ONGC Videsh spoke about India's oil exploration in the South China Sea. He expressed his disappointment that although India and ASEAN are working closely in several areas, there is no energy cooperation between the two regions. He also said that there was considerable scope for sharing coal technology and leverage the utilisation of power. There was a need to plan an integrated energy policy with focus on developing a transnational energy corridor. He closed his remarks by mentioning that the potential of renewable energy was also huge and still untapped in the region.

Mr. Anusourn Muttariad, Executive Director, Delta Electronics (Thailand) PCL, spoke about his company's manufacturing base at Gurgaon and Pondicherry. He said that India has huge potential and the scope of creating manufacturing bases in India should be explored.

Mr Rajeev Kumar Gupta, Head, International Business for South East Asia, Far-East, CIS and Europe, BHEL, said that his experience in the ASEAN

region goes back many years and BHEL enjoys a good reputation in the region. He mentioned that although emphasis is being given on free flow of goods, it is not feasible unless there is a policy of inclusive growth and a comprehensive roadmap to execute it. The 'Doing Business' meets should focus on the issues and try to find a solution. As an example he mentioned the ASEAN highway network which was physically in place could not function effectively due to lack of some infrastructure and unclear policy decisions. Both the regions need to revamp the policy framework to ensure effectiveness.

Tan Sri Datuk Ravindran Menon, Executive Director, Ara Group of companies, Malaysia opened his remarks by saying that this century is Asia's century. There are immense opportunities coupled with challenges in this region. He spoke about the aviation sector and its need to connect the tier-II and tier-III cities by air. He shared the success story of increased passenger traffic when Tiruchirapalli was connected by air to the ASEAN. He shared his views on how the aviation industry could take advantage of India's tier-II cities in exploring the corporate aviation sector. India enjoys the advantage of numbers as well as location and can be converted to a corporate aviation hub. He concluded by saying the businessmen and entrepreneurs are the economic arm of the population and should work towards ensuring regional integration.

Mr Ranjit Barthakur, Chairman FICCI North East Council and Chairman, Globally Managed Services mentioned the need to form a working group to highlight the challenges and identify them as the hindrances they caused to effective business and also stressed on the value chain. He spoke about a single market production base to define competitiveness in its true spirit. He also mentioned that tourism is one of the sectors with a huge potential and both the regions should strive to encourage people-to-people connect.

The moderator gave the concluding remarks on the fruitful cooperation between ASEAN and India.

Panel Discussion on Trade in Services as Driver for Future Economic Cooperation

- **Mr Rajat Wahi**, Partner, Management Consulting & Head-Consumer, Retail & Agriculture Sector, KPMG.
- **Mr R. Chandrashekar**, President, NASSCOM.

- **Mr Suresh Nair**, General Manager, Air Asia Group Bhd, Malaysia.
- **Mr Sandeep Kumar**, Head, DBS Bank, Singapore.
- **Dato' Ramesh Kodammal**, Co-Chairman, ASEAN India Business Council and Chairman Goldtex Group of Companies, Malaysia.
- **Mr Moe Myint Kyaw**, Secretary General, UMFCCI, Myanmar.
- **Moderator: Mr Pranjal Sharma**, Advisor, Public Diplomacy, FICCI, Consulting Editor to *BusinessWorld* and Member of the Global Agenda Council, World Economic Forum.

The Panel discussion started with Mr Chandrashekhar highlighting India's dynamism in the service sector. He mentioned that there are several opportunities for India and ASEAN to collaborate in the Information Technology (IT) sector. According to him, India has developed expertise not only in the IT sector but also in the IT enabled services. In today's world, the biggest force which is driving globalisation is technology and India stands as a leader. He further mentioned that services in this sector depend on easy movement of the following:

- Movement of Technology.
- Movement of Data.
- Movement of Skilled Persons.

He ended his remarks by highlighting the importance of ensuring the free movement of these three elements.

He was followed by Dato' Ramesh Kodammal, who underlined that 97 per cent of the businesses in India and ASEAN are either SMEs or SMIs and there is huge scope for facilitating trade between India and ASEAN. There are certain challenges which can be addressed for better implementation of this partnership. Within ASEAN, the existing visa regime needs to be relaxed and there are other barriers which need to be cleared. At present, there are FTAs and certain agreements to foster trade and bilateral partnership between the two regions, but there is a scope to do a lot more. He mentioned that in the 1960s Japan was the only country moving towards ASEAN, Taiwan entered the scenario in the 1970s which was followed by Korea in the 1980s and in the 1990s and thereafter China is making sincere efforts to increase its engagement with ASEAN. The trade in goods and services did increase with the above-mentioned countries and the story can be replicated in the Indian context.

The Secretary General of UMFCCI, Myanmar, Mr Moe Kyaw was the next speaker for the session and he spoke about the already existing and growing opportunities between India and ASEAN. Mr Sandeep Kumar, Head, DBS Bank, Singapore, also underlined the ample opportunities in the financial services sector and mentioned that foreign investors are looking forward to invest in Asia which is going to be the driver of economic growth for India and ASEAN.

Mr. Suresh Nair, General Manager, Air Asia Group Bhd, Malaysia, spoke of the air connectivity between India and the ASEAN region. He underlined some of the initiatives which Air Asia has launched to foster the bilateral partnership among the ASEAN countries. One such initiative is the ASEAN Pass which is a travel pass that allows guests to book low fares with credits at least 14 days or more before the departure date to travel to more than 140 routes all across ASEAN.

PART III
ACADEMIC SESSIONS

Welcome Address: Rumel Dahiya

Keynote Address: Anil Wadhwa

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Welcome Address by Deputy Director-General, IDSA, Rumel Dahiya

Excellency Dr Mochtan, Deputy Secretary General of ASEAN,
Excellencies,
Members of the strategic community,
Business leaders,
Friends from the media,
Ladies and gentlemen,

I extend our heartiest welcome to all of you to the academic session of Delhi Dialogue VII. The Institute for Defence Studies and Analyses (IDSA) has the privilege of hosting this Dialogue for the second year running. We could organise it only with the active collaboration and cooperation among the Dialogue partners and associates. The Ministry of External Affairs deserves special mention for their unstinted support for the event. In this regard I would like to thank Secretary (East) Shri Anil Wadhwa, and Joint Secretary Ms Pooja Kapur for their help and support. We are also grateful to the Secretary (East) for having agreed to deliver the Keynote Address for the academic session. I would also like to welcome our partners, particularly Ambassador Gopinath Pillai, Mr Ravindran, Professor Nishimura and Ambassador Rajiv Bhatia, Mr Didar Singh, and other partners and associates for their help and assistance. We are most grateful to the Hon'ble Deputy Prime Minister of Thailand and Ministers from some other ASEAN countries who delivered their addresses yesterday at the Inaugural Session.

ASEAN Ambassadors to India have been very helpful and they have always

taken active part in Delhi Dialogue deliberations. We are also happy to see the media from ASEAN countries joining us here today. We are also grateful to have amongst us a galaxy of scholars and experts, business representatives, media personnel and diplomats from all ASEAN countries taking part in today's Dialogue. I would like to express my gratitude to them for coming all the way to Delhi to take part in Delhi Dialogue VII.

We do hope that at the end of the session today we will have some practical ideas which would guide us in our future activities and also provide impetus to Indian and ASEAN governments to strengthen the India-ASEAN relationship. Leading up to this event our Dialogue partners and associates organised a number of activities and subsequently one of the IDSA scholars would be giving out a brief on those activities that they have carried out. I am sure inputs and recommendations from these activities will be given due attention by the governments and policymakers in drawing up policies and plans for enhanced relationship between ASEAN and India. I wish you a day of productive and fruitful discussions. I would like to convey my special thanks to the IDSA scholars: Dr Udai Bhanu Singh, Dr Sampa Kundu, Ms Arshi Agarwal and Mr Zubaer Haque Munshi besides our Conference Cell and other members of the staff for having organised this event. I am sure we will have very fruitful presentations today and all of you will participate actively in the discussions that would follow.

Thank you.

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Keynote Address by Secretary (East), Mr Anil Wadhwa

Brig Rumel Dahiya,
Distinguished Guests,
Ladies and Gentlemen

I feel privileged to be here with you at the inaugural of the Academic Session of the seventh edition of the Delhi Dialogue. We had a good start to this year's event yesterday with the first ever full-fledged Business Session in the morning attended by industry captains and key business delegates from ASEAN countries and India. The Business Session was followed by a candid sharing of views during the formal Inaugural Session hosted by the External Affairs Minister of India and attended by Ministers and Heads of Delegations of ASEAN countries, as well as Chief Ministers and ministers from our North Eastern States.

Today's Academic Session brings together policymakers, think tanks, business leaders and academics to brainstorm on various aspects of the ASEAN-India Strategic Partnership under the umbrella of the Delhi Dialogue process. Some of the key issues on the agenda are those that are likely to dominate the future discourse in India-ASEAN cooperation, such as Maritime Security, Cyber Security, Skill Development, Knowledge Society and Economy, Cultural Linkages, Integration of Regional Production Networks and Value Chains, Infrastructure and Energy, and the Way Forward for ASEAN-India relations.

Since 2009, the Delhi Dialogue has emerged as a useful Track 1.5 platform

for discussions between Government representatives, Track II experts and business representatives on political, economic and security issues of interest to both India and ASEAN. Delhi Dialogue VII assumes far greater significance since it comes in a landmark year for ASEAN and by implication, for the region as it moves towards the ASEAN Economic Community to create a free market for goods, services, investment, capital, and skilled labour. India has been an active participant in the region with which it shares civilisational linkages and common history, and will continue to carve out a role for itself in the post-2015 agenda.

The India-ASEAN relationship has grown and has been a Strategic Partnership since 2012. Today, relations with the ASEAN are one of the cornerstones of India's foreign policy and the foundation of our Act East Policy. Our ministers and officials meet regularly to expand our collaborative agenda, while our leaders meet every year to provide leadership and vision to the relationship. There has been deepening of cooperation across the three pillars of our relationship—politico-security, economic and socio-cultural—in the last 23 years.

In recent times, as political, economic and security structures evolve, Asia is assuming new responsibilities commensurate with its capacities. In this scenario, ASEAN and India are and will remain natural partners in defining their perspectives and addressing their common requirements of economic growth and prosperity. We are together in the East Asia Summit, ASEAN Regional Forum, ADMM Plus and the Expanded ASEAN Maritime Forum, which are important initiatives for evolving an open and inclusive regional architecture. We continue to support ASEAN's central role in this regional architecture.

The unprecedented changes in global dynamics underline the necessity of a stable and a peaceful regional environment, ASEAN's centrality in the evolving regional architecture, and enhanced India-ASEAN cooperation for maritime security, freedom of navigation, and the peaceful settlement of disputes in accordance with international law. Our collaboration should deepen in the realm of maritime security, humanitarian and disaster relief, anti-piracy and counter-terrorism.

Similarly, the importance of cyber security and need for cooperation in this vital domain cannot be overstated. Cyberspace is now acknowledged as

the fifth domain of human activity, after land, sea, air and outer space. While ASEAN and India have taken steps to firm up their cyber security regimes, they are yet to establish a strong relationship in this domain. We have made a good beginning, though, by organizing the ASEAN-India Cyber Security Conference on 19 January 2015 at New Delhi, which brought together experts from ASEAN and India to exchange views on the current state of technical knowledge in cyber security and the measures required to build further capacity in this domain. The event was successful in identifying the opportunities for greater collaboration on cyber-related challenges and also recommending necessary policy measures to strengthen the cooperation. ASEAN's centrality is the driving force of the emerging economic and security structures in the region.

The cross-cultural exchanges are linked inextricably with the economic and security pillars of the ASEAN Community. India and ASEAN countries share a long history and civilisational linkages from long before their governments decided to embark upon a partnership in 1992. The connections between India and South East Asia are deeply rooted and have evolved together through exchanges of people, ideas and goods, over the millennia. It has been a two-way civilizational connect with a history of trade, commerce and educational exchanges. In modern times, we have not only been able to rediscover it but also advance it to diverse areas for the mutual benefit of peoples of India and ASEAN region.

India's socio-cultural links remain in Asia ranging from Angkor Wat to Garuda and Ganesha; from the *Ramayana* and the *Mahabharata* to the roots of South East Asian languages in Sanskrit and Pali, from the dance forms of Bharatanatyam and Kathak to the traditional systems of Yoga and Ayurveda. The highlights of our socio-cultural engagement in recent years include the memorable Shipping Expedition of *INS Sudarshini* to nine ASEAN countries and the ASEAN-India Car Rally in 2012 to mark the 20th anniversary year of ASEAN-India relations. The revival of Nalanda University, an East Asia Summit (EAS) initiative, is a multinational project, in partnership with many countries of the region.

Coming to the realm of knowledge society and skill development, I would like to re-emphasise that India has always been willing to share its developmental experience with friends. India contributes to narrowing the developmental gaps

in ASEAN by supporting capacity building programmes in the Cambodia, Lao PDR, Myanmar, Vietnam (CLMV countries), namely, the creation of Entrepreneurship Development Centres (EDC) and Centres for English Language Training (CELTs) in Cambodia, Lao PDR, Myanmar and Vietnam. The ASEAN-India Fund (AIF), ASEAN-India Green Fund (AIGF), and ASEAN-India Science & Technology Development Fund (AISTDF) have been established to finance our ever-expanding collaborative agenda.

We should continue our cooperation and share best practices and advance collaboration in tele-medicine and healthcare access, clean technologies and biotechnology, urban planning, including water and air management, agriculture and food security, research and development and science and technology, remote sensing and space cooperation, governance and anti-corruption mechanisms for efficient delivery of citizen services.

We regularly organise exchange programmes and visits of media persons, students, farmers, diplomats and experts. There is no room for complacency and a lot needs to be done to meet the rising expectations of our people. Visa facilitation and medical tourism will enhance people to people linkages. We are planning to extend the Visa on Arrival scheme from the present figure of 43, which includes eight ASEAN countries, to 150 countries in a phased manner. The seamless movement of people, knowledge, ideas, goods, services and spiritual traditions will enhance prospects for greater cooperation in the globalised world.

On the economic front, the economic underpinnings of the ASEAN-India Strategic Partnership have been strengthened by the signing of the India-ASEAN Free Trade Agreement (FTA) in Services and Investments which will come into force later this year. The Services and Investment Agreements complete the ASEAN-India FTA and are expected to bolster our economic partnership. The volume of trade and investment flows between ASEAN and India have been increasing at a healthy pace, but remain relatively low compared with other dialogue partners of ASEAN. The trade between ASEAN and India has grown 20 times in the last 20 years to reach over US\$ 74 billion in 2013-14. The target is to achieve trade worth \$100 billion by 2015 and our ambition is to scale it up to \$200 billion by 2022. The negotiations for arriving on a common ground on the Regional Comprehensive Economic Partnership or RCEP are also underway.

The formation of the ASEAN Economic Community (AEC) by end of 2015 would be a major milestone. With a population of 620 million, comprising the world's seventh largest economy, the AEC is being perceived as an economic powerhouse in the making. It will generate tremendous growth potential and new opportunities for promoting bilateral trade and building business partnerships, particularly in the small and medium-sized enterprises (SME) sector. Given the diversity in the economic activity among the member-states, the region stands to benefit from the financial savviness and capital of developed economies, and the competitive costs and abundant labour and resources of the less-developed member-countries.

The success of the regional integration will be determined by the efforts made to realise the full trade and investment potential. Enhancing regional connectivity lies at the core of regional integration. Connectivity with ASEAN-geographical, institutional and people-to-people, is a strategic priority for India. We are working with ASEAN in enhancing physical and institutional connectivity.

In particular, the India-Myanmar-Thailand Trilateral Highway, Kaladan Multimodal Transport Corridor and Mekong-India Economic Corridor will dramatically reduce travel time and open up numerous cross border possibilities for trade and investment. Industrial clusters located along the connectivity corridors will emerge as economic nodes with many possibilities.

Development and integration of different sub-regional and multimodal transport corridors is very important to promote seamless connectivity. Besides physical infrastructure issues, there is a need to address soft connectivity issues as well, including cross-border transit facilitation measures, customs clearance and other facilitative policies and regulations to encourage production networks and economic integration in the region.

As we push forward our connectivity agenda, we must work to enhance our maritime connectivity. We have taken a few small steps in this direction by beginning discussions on the ASEAN-India Maritime Cooperation Agreement in 2015. The freighter service started by the Shipping Corporation of India from Chennai to Yangon has also met with commercial success and could pave the way for more such ventures in the future. We are also making efforts to enhance air connectivity to and from ASEAN countries. At the

Second ACCC-India meeting in September 2014, we decided to establish a Working Group on civil aviation matters to take this forward.

Economic integration hinges on reduction of tariff and non-tariff barriers and easing investment regimes, as well as on the free flow of goods, services, investment and skilled labour. As we look to the future, we must empower our youth across the spectrum of higher education, practical skills and vocational training, capacity building and distance learning oriented towards trade and technological advancement. Mutual recognition of professional qualifications will promote movement of professionals and experts across the geographic borders.

The projected increase in peoples movement and goods and services trade in the region over the next few decades underscore the need to build critical infrastructure. The opportunities for investments in infrastructure including urban planning are huge in the region. Building critical infrastructure, including sustainable urban communities and investments in human-capital development will enhance and facilitate our global competitiveness in a wide range of industries.

In this digital age, we also need think of virtual networks as a way forward for connecting the region. There is vast potential for economic opportunity and job creation through Information Highways.

The Asia-Pacific region faces an acute demand for energy. It is essential to think ambitiously of what we can do in Renewable Energy and Energy Efficiency. Information sharing, capacity building, technical cooperation, knowledge management, and human resource development are first few steps to boost institutional and private sector cooperation in this area.

In the end, I would like to reiterate that India and ASEAN share a vision of a peaceful, prosperous and resurgent Asia, which contributes to global peace and security. I am confident today's deliberations will come up with recommendations on transforming the vision of our leaders into reality, thus furthering the ASEAN-India strategic partnership to the next high level and realising our joint vision. I would like to compliment all the partners and associates for Delhi Dialogue VII for making this possible. I wish you success in your deliberations, and look forward to receiving your recommendations.

Thank you.

GEOPOLITICAL ISSUES

Chaired by Meidyatama Suryodiningrat

13

Reinvigorating India's Maritime Relationships in South East Asia

Abhijit Singh

In recent years, maritime security cooperation has come to occupy a prominent place on the India-ASEAN bilateral relationship, imparting heft and ballast to an engagement that was earlier based principally on trade and economics. By pursuing 'wide-ranging security collaboration' in the maritime domain, India and ASEAN have built on the idea that greater military interaction can lead to a more secure and stable maritime neighbourhood.

It is instructive that much of the cooperation in critical areas of the nautical space has come against the backdrop of a 'fraught strategic dynamic' characterised by maritime territorial disputes in the South China Sea (SCS) and the East Sea. Acknowledging this underlying context of India-ASEAN maritime cooperation is important because it highlights the controversial nature of maritime security in South East Asia given the fact that it is subject to contending interpretations and narratives.

More importantly, the conflicting nature of security cooperation in South East Asia has created competing strategic imperatives for India, much in the same way that it has engendered conditions that challenge ASEAN's effectiveness as a coherent political organisation. This paper attempts to address certain aspects of maritime security in the region that lead to a better understanding of the India-ASEAN maritime relationship. The aim is to identify areas and trends that have not been adequately addressed so far—

issues that bear on security and stability in South East Asia and challenges which could potentially impact the future course of India-ASEAN strategic relations.

Geopolitics of the Indo-Pacific

In the strategic sense, India's maritime role in Asia is related to the geopolitics of the Indo-Pacific region.¹ As a key constituent of the broader Indo-Pacific region, the Asian maritime theatre is the strategic fulcrum of global prosperity. Not only does it host vital nautical capillaries of commerce that nourish world economies, it is also home to four of the six major global choke-points. Among these, the Straits of Malacca, through which almost a quarter of world trade passes, is the most vital. The main artery of the world economy, the Malacca straits is a key enabler, not just for China's economy but also for many other economies of East Asia, Europe and the Middle East.

Of nearly equal significance is the Straits of Hormuz, a critical conduit for energy shipments from the Middle East, and an important market for Asian labour, capital, and consumer goods. From a geo-strategic perspective, the choke-points dominate more than the commercial and economic lifelines into and out of the rapidly expanding economies of South and East Asia. The global strategic growth and expansion of aspiring powers can be contained and regulated through the mere control on the movements of their naval forces through these straits. With more than 150,000 vessels transiting through these narrow waterways every year, the destinies of many regional and global economies are dependent on effective maritime security in the Indo-Pacific.²

The Asian maritime littorals are also important for the new trading hubs in the region. With growing trade, port infrastructure in the region has been growing leading to the establishment of many transshipment centres. New ports, airports, roads, rail systems and pipelines now traverse Asia from West to East and provide access to the landmass of Eurasia. The pace and scope of infrastructure development has been so dramatic that sometimes entirely new ports, such as Gwadar in Pakistan or Hambantota in Sri Lanka, have been developed on sites that were earlier little more than fishing harbours.

Increased interest in the Indian Ocean has resulted in a phenomenon of competitive port building. If China has invested heavily in Hambantota,

Gwadar, Chittagong and Sittwe, then India too has taken upon itself the task of developing Chabahar on the South Eastern coast of Iran. Similarly, the US is the primary patron of the large port being built in Dukm, Oman. India, the US and China also happen to be the main power-brokers in the Indian Ocean—constantly looking to influence emerging geopolitical equations in the region. Unsurprisingly, analysts like Robert Kaplan have called the Indian Ocean a ‘cockpit of future maritime rivalries.’³

In a clear and discernable sense, India's maritime outreach to South East Asia is related to the wider geopolitics of the integrated Asian littorals. Beijing's growing economic and military heft and the Peoples Liberation Army-Navy's (PLA-N) aggressive posture in the East and South East Asia, has led many South East Asian states to exhort India to play the role of a geo-political balancer to China. While these states have been clear about their security expectations from New Delhi, the latter has been wary of being forced to position itself as a counterweight to China.

Security Trends in Maritime Asia

Despite its ambivalence for a robust security role, India does not view South East Asia as a theatre peripheral to the larger geostrategic picture. Instead, it feels the region forms an integral part of a broader strategic theatre that includes India's near-seas (the Bay of Bengal and the Arabian Sea) and the wider Western Pacific. This is significant because the emerging theatre of Indian interest is also a key component of the integrated Indo-Pacific region where New Delhi has substantial geopolitical stakes.

This is not to say that there is a broad and consistent strategic consensus on the subject of the Indo-Pacific. To be sure, many in the Indian foreign policy and defence establishments still continue to see the Indian Ocean Region and the Pacific as two distinct theatres owing to the diverse nature of challenges experienced in the individual maritime spaces. Yet, there is increasingly a greater appreciation of the common economic and security logic that binds the two regions. Many observers, in fact, argue that a homogenisation of security has been occurring across the integrated space wherein both theatres have been experiencing similar challenges.⁴ This, among other things, can be put down to the prevalence of four factors:

- (a) China's growing maritime military presence in the South China Sea

and Indian Ocean Region. Over the past few years the PLA-N presence in the Indian Ocean has grown dramatically. The anti-piracy patrols are now being augmented by submarine deployments.

- (b) Huge investments in maritime infrastructure and the alleged attempt at establishing low-end dual-use facilities (Case in point: Colombo, where the PLA-N uses the South Container Terminal, built and maintained by a Chinese company, as a Chinese enclave; Hambantota, where four berths have been given exclusively for Chinese use; Ihavan, where port infrastructure is being funded by huge loans from China at high rates of interest, designed to extract strategic concessions from the Maldives).⁵
- (c) Military modernisation occurring across the Eastern Indian Ocean and the Western Pacific due to which increasingly militarisation is taking place.
- (d) Rise of the hybrid challenges (hybrid challenges are unique because they involve non-state actors and military proxies/paramilitary forces, making it difficult for opposing forces to take defensive action. In 2014, for instance, Al Qaida agents attempted to hijack two Pakistani warships to reportedly launch attacks on Indian and US maritime assets.⁶ Similarly, skirmishes in the SCS have seen China's fishing boats and paramilitary forces facing-off with the naval forces of Vietnam and Philippines. They are both examples of hybrid threats that beset maritime-Asia.

Military Modernisation in South East Asia

India's emerging relations with ASEAN must, however, also be seen in the context of the rapid militarisation of South East Asia. As is clearly evident, growing defence budgets in ASEAN states are underwriting the sizeable arms build-up in the region. As regional navies benefit from the increase in military expenditures, they are undergoing a rapid transformation from modest forces oriented mainly towards coastal defence to modern fleets capable of projecting considerable firepower into local 'green waters.' The growth in naval prowess is broadly in three areas. First, many navies are acquiring large surface combatants, wherein contrast with the practices of the past when inventories consisted mainly of coastal patrol assets; contemporary acquisitions involve bigger and more lethal warships.

Second, there has been a major expansion in regional submarine fleets. Many South East Asian navies, which did not possess a single submarine 15 or 20 years ago, are now operating or acquiring quite impressive fleets of undersea vessels. Singapore, for instance, has bought six used-but-upgraded submarines from Sweden; it is also buying two brand-new Type-218S boats from Germany. Malaysia has taken delivery of two submarines from France, while Vietnam has bought six Kilo-class submarines from Russia. Indonesia will get at least three submarines from South Korea.⁷

Finally, many local navies are also acquiring new ships for expeditionary warfare. Singapore operates four locally built Endurance-class amphibious operations ships and it is building another for the Thai navy. Indonesia and the Philippines are both acquiring Korean-designed Makassar-class amphibious ships, while the Thais operate the only fullfledged aircraft carrier in South East Asia.

The arms build-up in South East Asia over the past 10 to 15 years is undeniably significant, especially as it might impact the ongoing rise in tensions in and around the South China Sea. In the first place, recent acquisitions by regional navies constitute something more than mere modernisation; rather, the new types of armaments being procured and deployed promise to significantly affect regional seaborne warfighting capabilities. Local navies are acquiring greater lethality and accuracy at longer ranges, for example, anti-ship cruise missiles and modern naval guns. Additionally, local navies are acquiring new or increased capabilities for force projection, operational manoeuvre, and speed. Modern submarines and surface combatants, amphibious assault ships and even aircraft carriers have all extended these militaries' theoretical range of action. New platforms for reconnaissance and surveillance, especially in the air, have considerably expanded these militaries' capacities to look out over the horizon and better patrol territorial waters and exclusive economic zones.⁸

The capability addition to maritime forces in South East Asia over the past decade and a half has been substantial. Many of these capabilities,—such as submarines or anti-ship missiles, long-range air-interdiction or maritime strikes—were previously lacking in these forces and these new capabilities have greatly increased these militaries' capacities for projecting force into the South China Sea. How these increased capacities may affect tensions in the region

is still uncertain, but certainly they promise to magnify any military clashes that may take place in the South China Sea. As South East Asian navies add new capabilities for warfighting, any conflict in the region, should it occur, is likely to be faster, more intense and more lethal, and therefore perhaps more devastating in its effects.

South East Asia's militarisation, however, is driven not by the need to replace old and obsolete equipment and technology, or even replenish force levels, but by strategic suspicion—thus leading to the development of intrusive capabilities, such as force projection, stealth, and firepower. This is best exemplified by the development of amphibious warfare capability (island warfare), where six of the nine member-states of the Association of South East Asian Nations (ASEAN)—Cambodia, Indonesia, Myanmar, the Philippines, Thailand and Vietnam—now possess varied-sized, specialized amphibious ground forces equivalent to the US Marine Corps (USMC).

The central security consideration of these states is not territorial defence or even the need for effective law enforcement, but mitigation of perceived strategic vulnerability from a stronger neighbour. There is clearly a strong element of 'security competition' and a desire for 'strategic balancing' that drives the militarisation drive in South East Asia.

India's Security Role in South East Asia

In recent years, India has sought to deepen its security relationships with all the major nations of East Asia and strengthen bilateral and multilateral cooperation. While defence ties may not have been a priority in the first phase of India's Look East Policy, they have lately acquired a new salience. Since 2003, when India concluded a bilateral defence cooperation agreement with Singapore, India has pursued security diplomacy with vigour and purpose. Starting with the tsunami disaster of 2004, the Indian Navy has responded to a series of natural disasters in maritime Asia, including many in South East Asia, where it has contributed in relief efforts alongside the navies of the United States, Japan, Australia and other regional states.

India has also stepped up coordinated naval patrols with the littoral states along the Malacca Straits to improve maritime security in this vital link between the Indian and Pacific Oceans. In 2007, however, after India's naval exercises with the United States, Japan, Australia, and Singapore in the Bay of Bengal

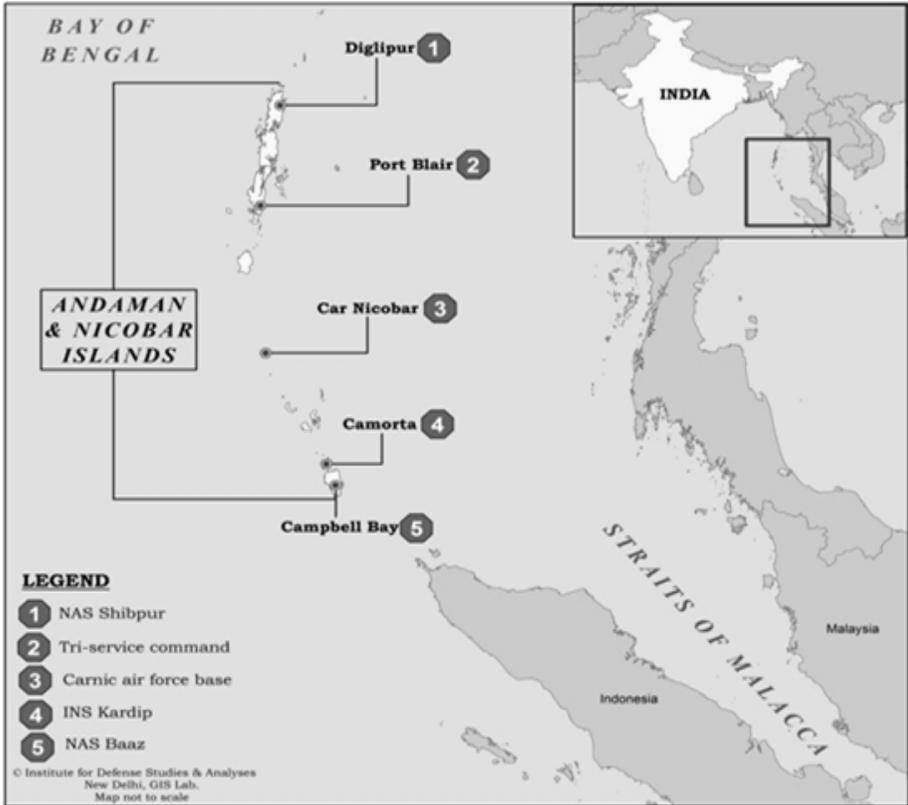
created alarm in Beijing, New Delhi has been careful to not be seen dabbling in any anti-China maritime manoeuvres.

Significant among the Indian Navy's initiatives has been the Indian Ocean Naval Symposium (IONS), held for the first time at Mumbai in February 2008. That India did not invite navies of the United States, China, and Japan was a clear signal that India intended to restrict membership of the symposium to Indian Ocean littoral states. Since then, India has shown a greater willingness to include China, Japan and the US as observers to the IONS. New Delhi has also allowed the Indian Navy to send its ships to the Western Pacific on a regular basis to signal a greater desire for engagement.

India's most successful maritime initiatives in South East Asia have been its bilateral security cooperation. Not only has India signed security cooperation agreements with a number of South East Asian countries, including Singapore, Indonesia, Malaysia, Vietnam, and Cambodia, it has been increasingly open to providing security assistance in terms of military training and arms transfers. Significant among these efforts is the training of air force pilots and submarine crews, the servicing of fighter aircraft purchased from Russia, and aid in shipbuilding and regional patrolling.

India, however, remains conscious of the dangers of being dragged into a conflict between China and its neighbours. Vietnam and the Philippines are looking for stronger Indian political support in their confrontation with China and more visible Indian naval presence. But robust naval participation in the affairs of the South China Sea is not exactly the type that India's strategic community is comfortable with. Indeed, there are divisions among New Delhi's security establishment on the kind of official stand India must take on the maritime disputes in the South China Sea. The conflicts are an important subject of discussion among India's security elite given India's growing stakes in the waters east of the Indian Ocean, the growing sphere of Sino-Indian rivalry, and the expanding defence cooperation with ASEAN states. While India is keen not be seen taking undue interest in the security affairs of South East Asia, it has been developing its presence in the Eastern IOR by developing its Andaman and Nicobar Islands bases (as shown below).

Figure 1



Source: IDSA.

In an India-ASEAN context, however, a key question about the nature and practical utility of India's security engagements still remains relevant. Why is there a pervasive impression that India's security efforts remain below-par? In other words, despite credible efforts by Indian maritime forces, why does the record still seem mixed? On the upside, observers point out, India's maritime engagement with ASEAN states now enjoyed greater political support. Now, more than ever, New Delhi is showing greater resolve and solidarity with Pacific nations on key issues of freedom of navigation and right of navigational and commercial access. Visits by senior political functionaries, including the prime minister and the defence minister, to South East Asia and Western Pacific states, attests to the fact that New Delhi is trying to develop a greater political convergence with its eastern neighbours and partnerships

on key issues of maritime safety and security. The defence and strategic partnership with Vietnam, Thailand, Japan, Australia and Singapore is now looking better than ever.

India's recent offer of a \$100 million credit line to Vietnam for the purchase of military equipment (supposedly the first instance of such a concession being given to a country outside New Delhi's traditional sphere of influence) as also the proposal to Myanmar to assist in the production of offshore patrol vessels, is an encouraging sign that New Delhi is committed to defend its stand on commercial activity in the South China Sea.⁹

The Look East Policy has now developed a clear maritime component with increased focus on coordinated patrols, capacity-building and training. These are both bilateral endeavours, for instance, the India-Thailand and India-Indonesia CORPATS aimed at countering terrorism, piracy and arms smuggling, the Singapore-India maritime bilateral exercises and multilateral engagements in the form of the Indian Navy's biennial 'Milan' exercises, where many South East Asia and the Indian Ocean states come together to tackle regional security threats.

On the downside, however, progress in key areas of strategic cooperation has been slow and incremental. With the thrust squarely on providing rudimentary capacity-building support and combating specific non-traditional maritime threats, ASEAN's security cooperation with India has been confined to the familiar framework of defence dialogues, low-level military exchanges, modest military aid, and basic maritime exercises. So, although the collaboration in the maritime domain has been growing, it is yet to realise its full potential.

Factors Inhibiting the India-ASEAN Relationship

The net result has been that India's overall maritime effort in South East Asia has found it hard to cross a critical threshold. While these can be attributed to the familiar reasons of limited resources, a lack of political consensus for active operations in the Pacific, bureaucratic incapacity and an absence of diplomatic coherence, four less discussed factors are noteworthy:

(a) **Code of Conduct (CoC):** India's maritime security approach towards South East Asia is not the result of a stand-alone policy, but a dynamic function

of political negotiations concerning the South China sea. Though China has routinely resisted suggestions to implement the CoC, its rejection of the proposal to discuss the implementation of the DoC (2002 Declaration on the Conduct of Parties in the South China Sea) and CoC at the ADMM plus meeting scheduled to be held in Malaysia later this year, has had a significant impact on India's maritime policy in South East Asia.¹⁰ The move is important because the ADMM Plus is the main regional platform in which sensitive strategic issues like the South China Sea are taken up for deliberation and discussion. It is also a key forum through which India articulates and enunciates its ASEAN-centric approach to maritime security in East Asia. Keeping the CoC out of the ambit of discussions clearly serves to promote Beijing's larger agenda of undermining multilateral negotiations on territorial issues, only to be replaced by China-dominated bilateral discussions. This also means political conditions still remain unfavourable for India to affect a strategic convergence with key regional states.

(b) Legal Battles and Reclamation Activities: More worrying, for India, is the extent of China's legal battles and reclamation activities in the South China Sea. Beijing, as we all know, is involved in a legal standoff with Philippines, where it has refused to accept the jurisdiction of the International Court of Arbitration in a case involving its definition of the nine-dotted line. China is involved in massive reclamation activities around the Spratly islands including the Ferry Cross Island, Johnson south reef or Gaven reef, making no secret of its desire to establish full control over islands and surrounding waters of the South China Sea. But Beijing has also raised the ante on regional territorial disputes, a development that dissuades India from playing a more proactive maritime role in the South China Sea.¹¹

(c) Internal Dynamics of ASEAN: Last, but not least, is the internal dynamics of ASEAN. New Delhi needs to come to terms with the fact that when it comes to taking a collective position on regional territorial disputes and China, ASEAN does not come across as one homogenous entity. Of the 10 ASEAN states, only four—Vietnam, the Philippines, Malaysia, and Brunei—officially contest Chinese territorial claims. Among these, only Vietnam and the Philippines vocally protest Chinese aggression, with Malaysia and Brunei keeping a much lower profile. Importantly, of those states that do not protest Chinese aggression, Indonesia and Singapore have often positioned themselves

as mediators in the territorial conflicts, while the remaining states (Cambodia, Laos, Myanmar, and Thailand) have maintained studious neutrality on the issue. Such an approach only serves to inhibit New Delhi maritime reflexes.

(d) Living Next Door to China: In many ways, India faces the same dilemma as ASEAN. They both have China as their biggest strategic competitor and also the largest trading partner. If China accounts for over 12 per cent of all ASEAN trade, its commercial engagement with India too have surpassed the 100 billion mark. India is also wary of China's economic proposals that promise to entrench Beijing as the most powerful strategic entity in the Indo-Pacific region. While New Delhi might be able to find a counter to Chinese maritime presence, it needs to look for alternate economic proposals to balance China's geo-economic heft.

Towards Greater Maritime Engagement

Among ASEAN states there is no denying the perception that India's maritime efforts have been broadly limited to Sea Lines of Communication (SLOCs) security and humanitarian assistance and disaster relief (HADR), with other areas of non traditional security (NTS) not receiving enough attention. This means there is need for more cooperation in tackling transnational crime, environmental challenges and illegal fishing.

The expectation among many ASEAN states for India to consider playing a subtle balancing role in the Pacific remains strong. Presently, it is often pointed out, the maritime cooperation consists of low-spectrum measures, i.e., defence talks, port calls, training exchanges, joint exercises and provision of rudimentary equipment. Though India need not be self-limiting in its conception of regional maritime security; for it might be entirely possible for India to alter its model of security to provide the assistance being sought, without necessarily getting into a confrontation with other powerful nations and causing conflict. It could—both figuratively and practically—provide an effective counterpoise to the rising challenges in the Pacific.

To begin, India must raise its aid and assistance program to ASEAN countries, to get itself on par with other states like Japan and Australia that are increasingly forthright in modernising the maritime capabilities of regional navies. Japan last year announced the sale of six maritime surveillance vessels (\$5 million) to Vietnam and Australia recently gave two large amphibious

boats to Philippines. The US has already promised the fullest possible cooperation to Vietnam and US companies, including Lockheed Martin, are in talks with Hanoi for developing synergies in defence and other strategic fields such as information technologies and communications.

To gauge what kind of assistance South East Asia seeks from India, important clues can be gleaned from the Indian Army Chief's visit to Vietnam in December last year, where the talk was about upgrading the pattern of cooperation (comprising defence exchanges, education and training) to more strategic areas such as cooperation in defence technology and peacekeeping operations. The very same issues were raised during the India-Vietnam Defence Dialogue in January 2015, when the Vietnamese delegation called for a closer, more strategic partnership. India, it was observed, was a powerful but peaceful state but could do much more to substantively contribute to regional peace and stability.¹²

Secondly, India must be more deeply involved in multilateral forums such as the ASEAN, the ASEAN Regional Forum (ARF) and the ADMM Plus. In 2014, India had downgraded its participation in ADMM Plus, but it needs to be restored and given the highest priority. New Delhi must consider raising its contribution in areas of advanced technology, defence industry and information technology. While India has opened up its defence shipyards for orders for Indian Ocean and South East Asian states, much more can be done in terms of taking up the orders on priority.

Most importantly, India must calibrate its operational engagement and strategic presence to send home a strong signal. The Indian Navy's participated in the RIMPAC and the MALABAR exercises in the Pacific last year, conveying an impression that it was willing to be part of a security model that allows for both subtle strategic push-back to growing Chinese assertion. Ironically, in the same stretch of time, it performed maritime manoeuvres with the PLA-N at Qingdao and the Russian navy (INDRA-14), thereby cancelling out all potential signals.¹³

In conclusion, despite a consistently growing security contribution, India, it would appear, has not quite been able to match the highbar of expectation from regional states. Among other things, this can be put down to evolving strategic trends in the region that need India to position itself as not just an external security provider, but a regional balancer. In order to impart substance

and intent to its Act East Policy, India must consider raising its security investment by providing more strategic operational content to its maritime endeavours. Only then will India be able to achieve its broader strategic objectives in the wider Indo-Pacific region.

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14

Maritime Security in South East Asia: A Vietnamese Perspective

Nguyen Vu Tung

Security, in the traditional sense of the term, first and foremost relates to the perceived threat(s) to a country's efforts to ensure an external environment favourable for growth and progress at home. From that perspective, it is argued that contemporary geopolitical developments in South East Asia seem to suggest that the perceived threat to security is increasingly of a maritime nature, originating from unresolved maritime disputes. Maritime security in the region has the following aspects:

- Bilateral disputes over islands/features and the water in the South China Sea between parties concerned, and mostly between China and some individual ASEAN members: These disputes are directly linked to the nationalist goals of territorial integrity/national sovereignty and national pride.
- Regional efforts to build security mechanisms to ensure peace and stability in the region: As long as territorial disputes are not solved and regional codes of conducts are not adhered to, credibility and efficacy of regional architectures (mostly ASEAN-led) are in doubt. At the same time, without properly addressing maritime disputes, it would be difficult to promote connectivity projects, especially maritime infrastructure connectivity that has become a catch phrase for regional cooperation.
- Global implications of territorial disputes and various approaches to solutions to them: Big powers concerned, mainly the United States and China, adopt strategies that reflect different views about

international orders, in general, and about seas in particular. The presence of a big power in the Asia Pacific (and to an increasing extent in the Indian Ocean), as a result, highlights the 'competitive' nature of maritime security.

At the same time, the new surge of nationalism and newly acquired wealth also seems to aggravate the maritime security situations in the region. Heated nationalism makes it more difficult for claimants to adopt a compromise approach to territorial disputes while better economic conditions have enabled them to improve defence capabilities in a competitive fashion.

To put it differently, the threat perception, which is more maritime in nature, therefore is reinforced by both aspects of the notion, namely, capability and intention. In term of capability, which I see as necessary condition, all the parties concerned are engaged in robust programs for navy and coast guard developments. And in terms of intentions, which I see as sufficient condition, China shows a more assertive strategy and its implementation that causes concern for other countries.¹

We need to address this 'threat perception' in the ASEAN post-2015 Agenda, for ASEAN will have officially become a Community that has the principle of ensuring continued peace and stability in the region and playing the central role in the construction of regional security architecture. In other words, maritime security will have to become one of the main priorities for ASEAN and ASEAN-led institutions/mechanisms to address the 'threat perception' in all the three dimensions, namely bilateral, regional, and global, as I have mentioned earlier. First of all, I see the East Asia Summit (EAS) being the most important mechanism that would consolidate the ASEAN centrality in the network of ASEAN-led institutions/architectures for regional security. In this regard, I think:

- The EAS should be the most official, yet most convenient, forum to address the 'threat perception' where China is expected to put to rest the 'China threat theory' and build strategic trust and confidence with other countries, both bilaterally and multilaterally.
- The EAS should be the forum where leaders make decisions with regard to specific steps toward maritime security issues such as trust building, capacity building, crisis/dispute management mechanisms, etc. In other words, EAS would be action-driven with regard to maritime security.

In these geostrategic conditions, the post-2015 agenda will have to be a comprehensive one in which ASEAN and India have a convergence of interest in ensuring the role of existing ASEAN-led security architecture. A robust program of ASEAN-India post-2015 cooperation that includes maritime cooperation will help to achieve this goal.

India enjoys some advantages in this regard. First of all, India does not have territorial/maritime disputes with ASEAN countries. In addition, the record of India-ASEAN cooperation suggests that the two sides do not suffer from the 'strategic trust deficit,' while the bilateral cooperation seems to have a new boost from India's current Look East and Act East policy. And, lastly, the existing cooperative ASEAN-led mechanisms can still be the most effective platform for further enhancing our bilateral cooperation.

Against such a background, some of the specific actions would include the following:

- India and ASEAN continue to strengthen the EAS as the leading forum for discussions and decision-making at the strategic level, while better utilising other institutions such as ARF, ADMM Plus, ASEAN Plus India and Extended Maritime Forum;
- India supports ASEAN's role in the Declaration of Conduct (DOC)/ Code of Conduct (COC) process between ASEAN and China while upholding the rule of law, in general, and the UNCLOS 1982 in specific as the desirable way to manage the disputes and resolve them in the future;
- India and ASEAN work with China, as well as other countries, to boost cooperative projects, including the initiatives on Maritime Silk Road for the 21st Century, and Asian Infrastructure Investment Bank put forth by China, thus consolidating the cooperative aspects of China's policy toward its neighbouring countries;
- Working on specific projects (ideally approved by the EAS) on such maritime security issues as:
 - (i) Creating mechanisms for raising the maritime domain awareness and for sharing information toward maritime transparency,
 - (ii) Building the maritime capacity for individual countries to protect their maritime rights and to collectively cope with non-traditional maritime challenges,² thus further nurturing the habit of cooperation when it comes to coping with maritime security issues,

- (iii) Sharing the equipment (sharing the assets),³
- (iv) Developing direct contacts between decision makers and law enforcement personnel through training and exchange programs.

The list of areas for ASEAN and India to cooperate with regard to maritime security are not exhaustive. They, as the bottom line, echo the 'connectivity theme' that has been mentioned by the previous speakers at the Dialogue. Therefore, we should develop the idea of maritime security connectivity to include policy, institutional, physical, and human connectivity for the purpose of promoting cooperation in the area of maritime security.

Last but not least, while the bilateral relations between Vietnam and India have developed in all fields in recent years, the two countries would want to make sure that the traditional relationship is put in a broader regional context of ASEAN-India partnership that serves the interests of peace, stability, and prosperity for the Asia-Pacific and Indian Ocean.

NOTES

1. Aspects of China's intentions:
 - With regard to national policy, China has introduced the 'maritime power strategy' that involves a naval build-up and an increased sense of national power and pride.
 - With regard to maritime dispute, China has introduced the extensive claim in the form of the nine-dashed line that claims for about 80 to 90 per cent of the South China Sea and it has conducted such activities that complicated the situations as pulling the oil-rig into Vietnam's EEZ and conducting massive land reclamation projects in the Spratly.
 - With regard to approach to solutions to maritime disputes, China has (i) showed preference to bilateral dealings, while (ii) delaying regional/multilateral processes such as COC and DOC, as well as (iii) interpreting the UNCLOS to suit its claims, and (iv) trying to reach a *modus vivendi* with the United States that may apply to South China Sea.
 - All these add up to the deficit of trust which, in turn, consolidates the negative view of China's intentions, thus reinforcing the threat perception about China's maritime policy in specific and China's rising as a whole.
2. In this connection, a defence cooperation agreement to establish the 'ASEAN Ready Group' to deal with humanitarian crisis was proposed for the ASEAN defence ministers to sign in the ADMM on 15 March. See Nicolas Cheng, Limited defence spending at LIMA, The Malayan newspaper *Star* on 10 March 2015. The defence ministers are also expected to discuss the adoption of common standard operating procedures (SOPs) for coordinating regional humanitarian and disaster relief efforts. See Rozanna Latiff, Polling ASEAN Resources to tackle disaster relief, *New Strait Times*, 10 March 2015.
3. Nicolas Cheng also quoted Malaysian Defence Minister Datuk Seri Hishammudin Tun Hussein as saying, 'We cannot only share information, but also our assets to secure our own region. That's the best way to do it and it's a win-win for us. This is the message that I have passed on to my ASEAN colleagues and they are agreeable to it.'

15

Cyberspace: The Fifth Battle Space

Kamlesh Bajaj

We have just heard about the ‘sea common’ which is probably the earliest that mankind recognised, of the ‘global commons’ and there have been laws of the seas and many other mechanisms that have emerged on how to deal with the commons. We are now talking about another common which is slightly different in the sense that it is a man-made global common. Whether it is global common or not is also contested by some countries but all the same we are all talking about safe navigation through the cyberspace for economic activity, growth of economies and the social interaction that the countries need to engage in, because the internet, the way it has emerged, is largely encompassing our lives. For example, it acts as a town square where we engage in politics and speech. It is also a part of main street where we engage in shopping, e-commerce and, of course, this kind of a cyberspace also has its own dark alleys where crime is conducted and in fact it also has its secret corridors where economic and military espionage takes place. Finally, it has reached the frontier of battlefields because tomorrow’s wars are being projected to be conducted through cyberspace and cyber war will be a major component. In fact, Secretary (East) noted that it has emerged as a fifth common and the fifth battle space.

The cyberspace is a game changer in the sense that it is borderless, it is only standard protocols and connectivity which can allow us to connect. Anybody with a TCP/IP kind of a platform on any machine which he has can connect to the internet and be there. But unlike the other spaces forming

global commons, the cyberspace as a global common is expanding because the bandwidth is under our control. We can lay any amount of undersea cables and create overland connectivity through wireless networks and so on. So the bandwidth is continuously expanding, which means the cyberspace is expanding and so is its usage. So with more and more applications being created there is a continuous expansion of the cyberspace. There are vulnerabilities in all the platforms, be it PCs, mobiles, servers and so on, and also all kinds of software. The way the entire system has developed historically, there are gaping holes which are being plugged in but all the same they continue. So these vulnerabilities in all platforms are known and they are available, once again, on the internet. So anyone can take them on and exploit them with whatever intent they have.

Many parts of critical infrastructure of nations are at the mercy of cyber warriors. The list will include water distribution, power generation and distribution, railways, road transport, airports, banking and the entire financial sector, e-Governance, military logistics etc are all dependent on the cyberspace for their efficient functioning. So, all of these are critical activities and critical infrastructures. Over the last few years, in the name of productivity gains, efficiency gains, etc., we are depending more and more, in terms of command and control, on internet connectivity for critical infrastructure management. So, we have here command and control systems which are removing people away from the control path and letting the internet mediate and take automatic decisions based on whatever sensors are bringing back. These sensors could then be exposed to vulnerabilities and thus critical infrastructure may be impacted.

This is something which is beginning to happen and countries are trying to develop a lead over others so that they can exploit this to hold another country to ransom and there are already many case studies on this subject. What has emerged is that the protection of national ICT assets requires cyber security strategy and cooperation at all levels; be it at the national level or at the international level. In this fifth domain, we need to understand that certain doctrines have come to the fore where countries, specifically the US, state very clearly that if there is an attack in one of the four domains or on the cyberspace, they reserve their right to respond in any of the other four domains. China is not far behind in this respect. Russia and some other countries are

also developing similar plans although of course reports talk about more than 120 countries having this capability. But then we do understand that there are different levels of development. The point here is that the economic growth of countries is highly dependent upon cyberspace.

Nations are growing; China claims that 26 to 28 per cent of its economic growth is ICT based and a major part of that is through the internet, and if we look at the internet in particular or cyberspace specifically, every country is trying to see that they have targets of some 1.5 to 3 per cent of the GDP coming from internet, not ICT. Here, policymaking or the outlook towards cyberspace has to balance economic interests with national security. Again this is something not unique as we have heard about maritime security as well. But there are some characteristics which make it different from other spaces. Clearly, the cyberspace is offence dominant, i.e., you have to defend your space all the time whereas the offender has to succeed only once as he is trying to attack you from the cosy confines of his own home or his own office anywhere in the world. This is what makes cyberspace unique. While the offence is the dominant part, attribution is difficult. The way technology has developed, you cannot really pinpoint who has attacked or where from the attack has taken place. There are a whole range of paths and proxy servers in between which determine the path and they take you up to a certain point. Beyond that, again the trail goes blank and as a result, attribution becomes difficult.

While we talk about cyber wars and other cyber issues it is not clear as to when you can declare that some kind of war has started or that somebody has attacked you, if at all it has started or when it is has come to an end. And then the added problem is that the same tools that we use for strengthening our networks, i.e., vulnerability assessment, penetration testing and so on are the only ones available which we normally call audit tools. So with those tools we try to make our networks stronger, but it is the same tools which are used for conducting crimes, for conducting espionage and, finally, it is the very same tools which we can describe as weapons which are used to conduct the war. Now, witness the recent case of North Korea versus the US; or the case of the Sony hack (Sony Studio). While Obama is on record having stated that North Korea had carried out the attack there are analysts who believe that this is not correct. We do not know whether it was the North Koreans who actually attacked Sony Studio or it was simple hackers. This problem is

something which continues to be there and we have to see how to confront it. But at the same time, if you examine the outcomes of the cyber-attacks, they fall in the cybercrimes category.

Many of the recent attacks were on companies like Target, JP Morgan Chase and so on; in fact, attack on the Target site was the first case where the CEO had to go—he was sacked. Such a huge corporation and the company is still facing almost \$ 1.2 billion worth of lawsuits because the privacy and data of individuals has been compromised. So we are seeing the impact of cyberspace and the successful attacks in cyberspace having a greater impact on individuals, on economies, on companies and national infrastructure. Companies can close down and banks can be wiped out as a result of such successful attacks. So the impact here is felt much more on a day-to-day basis unlike what you would see in the other commons or espionage therein. The Americans have charged five of the Chinese PLA officers for conducting cyber espionage and stealing away secrets from Westinghouse, United States Steel, and Alcoa for commercial advantage. Various figures are put out, one trillion dollars and so on, for the loss of intellectual property. But then what have the Chinese done? Surely, they will not hand over their people to America to stand trial in the American courts in the city of Philadelphia. The Chinese, on the other hand, have taken whatever has come out of Snowden revelations (I am sure they were aware of that also) as espionage which the Americans have been conducting in the name of counter terrorism. But is it confined to counter terrorism? Probably not because the stated approach or stated doctrine is to collect all the data.

All of us are using many of the American service providers—on Facebook, Google, Yahoo and so on. All of these platforms are being used by us. About 75 per cent of the global usage of internet lands up on American servers and also nearly 75 per cent of the global traffic passes through the undersea cables, through which they are sniffing and collecting all that data. With all the data that is being collected without first doing any targeted surveillance, everybody's data is available. We have heard about Angela Merkel and Dilma Rousseff protesting against their privacy violations and the UN has passed a resolution in December 2013 on the right to privacy in the digital age. However, are the Chinese right? Is there a US-China standoff in cyberspace with China stating that the data collected illegally gives US an advantage in trade negotiations?

Is that equivalent to the kind of direct espionage which China may be conducting? With this kind of a situation, has trust in cyberspace become a major casualty?

What various countries need to do is agree on a structure for cyber security and build education awareness, best practices, early watch and warning centres, security workforce development, and train law enforcement agencies in cybercrime investigations. In all these areas there is a need for global cooperation because if the space is borderless how do we handle such crimes and such kind of activities individually, and how do we enhance trust in emerging technologies such as cloud computing. So I think there is a need for public-private partnership and specifically at the India-ASEAN level because this century belongs to Asia in terms of growth. All the indicators, whether you look at internet penetration, e-commerce, and business to consumer networks and so on, the Asian figures are dominant when compared to North America, Europe and other continents. We are moving much faster in use of cyber space which means that we will also be suffering more attacks. So there is a need for cooperation amongst ASEAN countries at the level of law enforcement agencies, at the level of surfs, information sharing analysis centres, best practices frameworks of the kind that DSCI develops. Future strategies should focus on R&D and promoting cyber security products which come out of ASEAN countries and probably holding an ASEAN Cyber Security Conference every year. These are some of the steps which I think we need to take to navigate through the cyberspace for the growth of our economies and for being secure.

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Cyber Space Security: Need for Shared ASEAN-India Vision

Tan Sri Azumi

Introduction

Given the rapid development, expansion and the global impact of information and communication technology (ICT), cyber security is today a geopolitical issue that has gained importance in the security dimension and a global concern with the potential to shape the Post-2015 Agenda. Security issues, which have traditionally focused on the traditional dimensions of land, sea, air and airspace, are now extended to include the cyberspace domain transcending national borders. Also described as the fifth domain of warfare, threats emerging from cyberspace have also revolutionised vulnerabilities outstripping strategy or doctrine becoming strategically indispensable.¹

The ICT Revolution that permeates the daily lives of individuals, businesses and governments is not without its challenges and downsides. Cyber space has become an attractive platform for criminals, terrorists and ultra-nationalists who use the new technology to modernise their old techniques. In fact, dependency on cyberspace by countries has become a significant risk. In today's interconnected world, no nation is immune from cyber-attack. If a nation is attacked, the impact will not be confined to that country only. The damage can spread throughout the region as well as globally. To this effect, someone with a laptop in this conference room with access to the cyber domain can do or create global consequences.

Hence, a shared vision between ASEAN and India is needed to safeguard their cyber space.

Current Cyber Threat Landscape

Cyber threats and challenges take many forms amongst which are:

(a) Malicious Use of Internet for Organised Crimes

Traditional criminal organisations have moved to cyber space using Internet as a medium to plan and coordinate their cross-border activities. Hence, the traditional threats in the forms of drugs and human trafficking, financial frauds, money laundering, etc., are being magnified today. Traditional criminal groups, enhance their cross-border activities by collaborating and acquiring technical services from ICT professionals who make profits from their skills. Hackers might steal our data and trade it in the Internet Black Market to criminal groups as in the case of a retail giant target. According to RAND National Security Research Division, at least 70 million customer records started to appear in the Black Market within days after the December 2013 breach.²

(b) Cyber Aggression and Hostile Activities

Hostile activities and acts of aggression referred to as anything from cyber espionage, malicious software (malware) infections and system intrusions to high-scale cyber-attacks are in existence. The growth of cyber terrorism and the trend of cyber-attacks targeting critical network infrastructures have become increasingly alarming. The world witnessed the cyber-attacks during the Estonian-Russian Conflict in 2007 and the Georgian-Russian Conflict in 2008. In addition, the cyber-attacks targeting the government and banking websites in South Korea in 2009 and 2013 caused substantial losses. The Mumbai attack in November 2008 was more than just shootings and bombings. The attack proved how cyber space could be utilised as an effective medium by terrorists to coordinate their actions and pinpoint predetermined targets with devastating effect. Cyber aggression also includes acts of hacktivism, the group which is against any attempts to regulate cyber space. The increased sophistication of malware is also a form of cyber aggression, which includes, for example, Stuxnet, Duqu, Flame, and Shamoon that caused serious damage to information and computer systems.

(c) Cyber Espionage

This is a growing threat involving spying activities aimed at obtaining classified information to achieve strategic, economic, political or military advantages. Experts have warned that cyber espionage will be a major concern as states employ cyber thefts of data to gain economic advantages in multinational deals. More work needs to be done in addressing cyber espionage in order to protect the communication and information security in terms of its confidentiality, integrity and authenticity. Such situation indeed, affects the mutual trust and confidence in the use of cyber space.

(d) Advanced Persistent Threats

Most cyber threats today take the form of Advanced Persistent Threat (APT) which is described as sophisticated, consistent and committed with strategic intent. It takes combined efforts and resources to address such APT as the attack escalates from compromising a single computer to taking over the whole environment where backdoor Trojan programmes are installed on compromised computers within the exploited environment. They exploit hundreds of computers, log on to accounts and search for new data and ideas over an extended period of months and years. Minimising and eradicating APTs are amongst the challenges faced by any organisation.

(e) Computer Experts have assessed that in 2015, cracks and threats on computers would likely involve the following:

- Attacks by Nation States. Spy agencies undermining the integrity and security of the private sectors.
- Extortions.
- Data destruction.
- Breaches by Third Parties.
- Attacks on Critical Infrastructure.
- Attempts to deceive by sending message which look genuine.
- Espionage and Cyberwar.

In brief, continued skirmishes online over a long period.

Proposed Collaboration

How secure is the ASEAN-India cyberspace? Are ASEAN and India spared from such threats? If cyberspace has become so strategically indispensable, then

safeguarding it is the obvious option/response. Safeguarding the ASEAN-India cyberspace must involve the development of a cyber security strategy through forging of a strategic cyber security partnership. A 'shared vision' of the cyberspace can help develop a common cyber security strategy between ASEAN and India. It is proposed that ASEAN-India adopt the desire to have 'a secured, reliable and safe cyber space' as its shared vision. Efforts enhanced collectively through the forging of a strategic cyber security partnership can assist in fostering constructive dialogues and consultations on cyber security issues of common interest and concern to ASEAN and India. If ASEAN-India is desirous of the 'connectivity' much discussed at this dialogue, then they must underwrite their own security.

ASEAN-India has much in common, much to share in terms of ICT technology, skills and expertise. As reflected in the Global Cyber Security Index 2014, a Joint Study by The International Telecommunications Union and ABI Research, some member-states of ASEAN and India are well positioned in cyber security engagements.³ This is a study that provides a snapshot of where countries stand at a national level in cyber security engagements measuring areas of legal, technical, organisational, capacity and cooperation. Of 193 countries, Malaysia ranks among the top three, sharing this rank with Australia and Oman, and coming after the US and Canada. India is ranked fifth with Singapore sixth, Indonesia thirteen, Thailand fifteen, Myanmar sixteen, Philippines seventeen, Vietnam eighteen, and Cambodia and Laos PR in the twenty-fifth spot. Nine member-states of ASEAN have laws relating to electronic transactions and all but one have a National Cyber Programme.

Through the ASEAN-India strategic partnership platform, some consultation mechanisms can be established to share information and forge a consensus to enhance mutual cooperation in addressing security challenges facing ASEAN and India.

It is crucial for ASEAN and India to recognise that regional peace and stability depends on the collective efforts of both to work in concert and explore possible avenues towards achieving a sustainable security. Due to emerging threats of cross-border cyber threats, ASEAN-India can further strengthen collaboration in combating cybercrimes and cyber incidents through information sharing and cross-border evidence gathering. ASEAN-India should collaborate in various areas of cyber security where expertise and experience can be shared.

Malaysia, a member of ASEAN, can offer other services under the ASEAN-India collaboration such as:

(a) **Cyber Security Professional Development.** Malaysia can offer expertise and services in the area of Information Security Management Systems (ISMS), Business Continuity Management (BCM), Wireless Technology, Penetration Testing, Supervisory Control and Data Acquisition (SCADA), Digital Forensics and Consultancy on developing Computer Emergency Response Teams (CERTs). Malaysia also conducts various professional certification programmes and is the authorised examination centre for SANS Institute and British Standards Institution (BSI) certification programmes.

(b) **Digital Forensic Services.** Malaysia's Digital Forensic laboratory is the first forensic laboratory in Malaysia and the Asia Pacific region to be accredited in November 2011 under the 'Digital & Multimedia Evidence' discipline based on ISO/IEC 17025: 2005 and the American Society of Crime Laboratory Directors/Laboratory Accreditation Board (ASCLD/LAB) International 2011 supplemental requirement specifically for digital forensic laboratory. The services provided include analysis of digital evidence, first response for digital evidence, consultation of quality management, recovery of corrupted and deleted data, and data sanitation.

In this regard, ASEAN-India may look into cybercrime issues that affect our common interests with its digital forensic experts helping law enforcement agencies of both parties in the retrieval and preservation of digital evidences.

(c) **Certification Service under the Common Criteria.** Provision of Malaysia's certification service is based on the Common Criteria ISO/IEC 15408, the CSM27001 Scheme based on ISMS ISO/IEC 27001. Malaysia was accepted as the certificate authorising participant of the Common Criteria Recognition Arrangement (CCRA) on 27 September 2011, the first in ASEAN.

(d) **Certification Service under the World Trustmark.** In 2010, Malaysia implemented the Malaysia Trustmark for Private Sector. The certification service provided is based on the World Trustmark Alliance (WTA) Guidelines for Trustmark Operator (GTO). On 30 November 2011, Malaysia became a member of the World Trustmark (WTA) and was elected to the 2014 Chair of the WTA.

Conclusion

There is a growing recognition of the need for ASEAN-India to forge a strategic cyber security partnership if it is desirous of a safe, reliable and secured cyber space. This growing recognition permeates further discussion although one was held in January 2015. Given their potential, ASEAN and India can build a resilient cyber security plan like the EU and OIC. This resilient cyber security plan can be forged from shared cyber security technology and mechanism encompassing all elements of leadership, both in private and public sector, sharing of information and a quick response and mitigation through well-rehearsed cyber drills. The objective is to create a safe, reliable and secured cyber space.

NOTES

1. Henry Kissinger, *World Order*, Penguin, 2014, pp. 344 and 346.
2. Lillian Ablon, Martin C. Libicki, and Andrea A. Golay, *Markets for Cybercrime Tools and Stolen Data: Hackers' Bazaar*, RAND National Security Research Division, 2014, p. 1.
3. *Global Cyber Security Index 2014*.

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Cyber Security in the Context of ASEAN

Alok Vijayant

Cyber security, as has already been mentioned by our earlier panellist, is the fifth domain of warfare. It is the fifth domain of our general functioning and so we need to handle it very carefully and we need to look at all the intricacies. All my slides and the pictures will actually speak more words than what I would be speaking because I am trying to give a context in terms of visualisation so that you can visualise the threat that we are talking about.

When it comes to strategy, most of the participants present here understand strategy. But I am a cyber security practitioner and as such my approach will be a little different because I believe when strategy is not based on practice or a deeper understanding then you are likely to come out with a billboard like this on the road that 'blind men cross here. It is very difficult to actually distinguish between state sponsored actors and non-state sponsored actors. The only parameter on which they can be assessed is in terms of the price of attacks. So if the price of attacks is high you can, to some extent, understand that it is a state sponsored activity and if the cost of an attack is low you can attribute it to a non-state actor or an individual actor. Number two, is the motive of the attack. Again this gives out lot of parameters which can indicate whether it is a state sponsored attack or a non-state sponsored attack. The third thing is the quality of the target of attack. That is another very important parameter which will indicate who are the probable attackers. In the cyber spheres there are many 'uncontrolled warriors.' Actually, as one of the panellists said that a person sitting in a remote corner of this room can actually take a

country to task. I fully agree with that because in this domain, and this is the only domain which does not have a requirement of a logistic supply chain and chain management system. So we are talking about these uncontrolled warriors who are there out in open. We are talking about a cyber-Taliban that is the real threat which we will be discussing today in the context of ASEAN.

We have talked about the member countries of ASEAN. We have covered various aspects like political, global, economic situation, and global warming. We have talked about energy related issues and the green earth and so on and so forth because that could be strategized in close confines of rooms because most of us understand the dynamics. What we don't understand probably is the scenario of global cyber attacks, how they are happening. In my slides I have tried to capture for you the actual live attack scenario within a period of about one month. You see there are three power centres and one happens to be in the ASEAN region which I am talking about. I am not talking about ASEAN region per se but I am talking about the larger Southern Asia part of the globe. The second one is in West Asia and Eurasia, and the third one is in the US. These are the three global power centres which are going to be there so far as the cyberspace is concerned. Now, we need to actually strategize how we are going to actually handle these kinds of attack scenarios, when these real live attacks are being mounted. All those who are computer security practitioners will know that there are maximum 65000 windows to a computer system which can be attacked and trust me, all these 65000 ports or the windows or the doors to the computer are today being exploited for getting entry into the system.

When it comes to cyber security there are a couple of very important points applicable to the ASEAN nations. First is that we are unnecessarily talking about creating a borderless cyber security. As a practitioner I feel that it is a waste of resources. If you talk about a global internet there is no point actually, the South Asian traffic actually going to a US server and then coming back again to India. We need to work out certain protocols as the border gateway protocol and the routers level when we can route our internal traffic in this region into our traffic region. That can also eliminate the threats of snooping and espionage and mass surveillance or the bus surveillance, what happened in the West.

The second one is the economic upheaval in all these developing nations,

where economic upheaval is actually using the IT as a vehicle. In this scenario the risk of cyber crime is going to rise at a very fast pace because wherever there is money, the hackers are going to be there and they are going to make money out of your systems. So the more you grow the more are the hackers actually going to get towards the honey which you are going to create.

Third, I propose the creation of a regional internet grid that could be jointly owned by ASEAN and other neighbouring nations because we are the ones who are going to be directly responsible for this entire region. Neither the US nor Europe is going to come to our rescue when we have some problem and we have some very typical similar problems at hand.

Fourth one is the cooperation in cases relating to terrorism. Terrorism is a very important chapter in this area. In this part of the world, we are heavily infested with terrorism and we are on the brink when it comes to terrorism. So we need to have very speedy processes. There are processes existing in terms of Interpol, Mutual Legal Assistance Treaty on Criminal Matters (MLAT) and other things. But they are very cumbersome and in case of terrorist targets you need to be actually working in seconds and minutes, not in terms of months and years. So this is where I think we can form our regional grid way in this area wherein we can cooperate on countering terrorism in terms of cyber security and in terms of cyber terrorism. Also, on the Internet Governance Forum (IGF) I think we need to have our stance very clear from the region because we are net user of the internet and we are not the net providers of internet today. So we need to build a case for being represented very strongly in the Internet Governance Forum where we can talk about net neutrality, we can talk about independence, privacy, advocacy and so on and so forth.

Cyber security grid on the lines of NATO Cyber Defence is essential. There is an Estonia-NATO Cyber Defence as a grid. I think in the ASEAN and the South Asian region we need to have similar kind of a cyber defence arrangement wherein we can have a voice against a lot of things which we actually see and perceive in the media. We should actually raise a common voice to be heard at the global fora and find ways to consolidate action on social networks against propaganda. This is very, very important. We have actually seen economies flourishing with this and also getting destroyed.

I will present you a very recent example. You would have read about Xiaomi phones exported from China. Sometime in October-November 2014,

there was a news item which said that through Flipkart they sold 90,000 sets in nine seconds. If you talked about the economic growth using these kind of methods, you are talking about m-Commerce and e-Commerce, but there is also a flip side to it. You know, that Ericsson went to the court, when Indian Infosec Consortium raised a voice against Xiaomi alleging that they have been snooping on data and sending data out to a Chinese server. There was a high court order which said that you need to look at this and this Indian High Court order was actually taken very seriously by Ericsson and they filed a complaint against this particular company saying that they were actually making use of some of their patents without paying for the same. So the High Court ordered that for every set sold a certain sum would have to be deposited with the court. Now, you no longer find any such news item wherein anyone says that 90000 sets were sold in nine seconds! Xiaomi has vanished. They are not there. So what I want to actually portray here is that probably companies grow overnight as the third largest manufactures of the mobile phones in the world just through a method of propaganda. Now, if they claim today that they sell 90000 sets per second they will be forced to deposit some part of the revenue for the sets sold in the court. The moment these kind of orders come people become very realistic and the propaganda stops. How prepared are we for such kind of propaganda-based economic upheaval? How prepared are we to handle these kind of threats where some competitor is going all out trying to ruin businesses overnight? We need to examine it very carefully.

Multi-ethnicity is a typical characteristic of ASEAN and the South Asian nations. Managing this is again a great challenge when it comes to social networking on cyber domain. We have seen a lot of problems in Cambodia and we have also seen lot of problems in India relating to the multiethnicity. So we need to have a very clear policy on social networks regarding how to collaborate and find ways to contain the kind of mis-propaganda on the social networks in future, because this is what is going to create the maximum amount of unrest, a kind of civil unrest, which will be difficult to contain. You can contain a cyber war, but containing a civil unrest is going to be a very big challenge. We have seen this during the Jasmine Revolution and elsewhere.

Lastly, networks are important in emergency and disaster relief. For instance, in the Boston bombing case in the US, within nine seconds of its occurrence, the paramedics were there on the ground. They may have

strategised things, and prepared lot of policies but what is significant is they have also tested it on ground. Because when you have a bombing scenario, and in the nine seconds people turn up and they start their activity; with all kinds of support and paramedics and they start the rescue process. That is the kind of preparation we need today in terms of cyber readiness.

It is unrealistic to assume that we can build cyber awareness overnight and there is not going to be an Abhimanyu born with all the learnings in the womb of his mother. For generating this kind of capacity and capability you need time and you need to start now. If you have not started yet you need to start now because this capacity generation in a very controlled environment is going to be the key in cyber domain. It is not formal education alone that can give you a head start in the cyber domain. Children at an early age have to be taken to the drawing board and encouraged to play around and experiment with electricity. But this requires caution and a watchful eye to prevent any accident. So you need to have a very controlled environment. It is like the story of Ekalavya. I am sure, everyone has heard of Ekalavya. He learned all his art through distant learning. But at the same time, we need to ensure that this Ekalavya, who could have been of great strength for the Pandavas, be allowed to live and retain his thumb; nobody should actually disable him by saying that you have not learned this art through the proper channel, so I disable you, not to use this art for the advantage of the country or for whoever. So you need Ekalavyas with thumbs intact. You need that Ekalavya to be nurtured along with the thumb so that he can become the second Arjun in war. That is what is required. I think we need to leave this because most of the senior people, who are actually taking decisions and writing strategies, are on the older side and this domain is new. The domain experts cannot be more than 40-45 years of age. That is the way I look at it.

So we will have to shed our egos. We need to have willingness to learn. That is very interesting because the sign board says, '*Kripya yahan par gyan na baaten, yahan par sab gyani hain.*' (please do not spread knowledge here because everyone here is knowledgeable) I think we need to come out of this kind of a hypothesis. *Knowledge is available everywhere.* We have to act like three idiots. One of the idiot should say that irrespective of where I go I will receive some knowledge. When we talk about ASEAN and India we need to actually work like this. You have something unique to contribute, I have something else.

That is where we need to cooperate. We have something to learn from ants about cooperation. In order to get to the other side we need to act like the ants. Climb on each other, rest on each other, have trust and then reach the other end. That is where the ant example comes in. How are we going to go ahead? I will give you my back, to some extent you give me your back to climb on so that we are all stable and we don't fall down. We need to work like this and achieve something.

SOCIO-CULTURAL ISSUES

Chaired by S.D. Muni

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A View on a Post-2015 Agenda in Education, Skill Development, and Mutual Recognition, Cultural Linkages and People-to-People Contact: Strengthening the Context of ASEAN-India Partnership

Julito D. Vitriolo

Introduction

In the last decade, the ASEAN-India partnership has been transformed tremendously from a mere sectoral dialogue partnership to a strategic one after the ASEAN-India Commemorative Summit, held on 20 December 2012 at New Delhi when the leaders adopted the ASEAN-India Vision Statement and declared the elevation of the partnership as such. Thus, the significance of the Delhi Dialogues has taken a deeper and more vital meaning to date and continues to play a pivotal role in shaping ASEAN's post-2015 agenda. As an overview, in the 1990s with India's Look East Policy, and coinciding with India's economic reforms, the vision towards socio-economic development precipitated the first Sectoral Dialogue partnership with ASEAN in 1992 which later matured into a Full Dialogue partnership. This was followed by Summit-level partnership in 2002, and India's accession to the Treaty of Amity and Cooperation in South East Asia. In 2004, the partnership adopted the 'ASEAN-India Partnership for Peace, Progress and Shared Prosperity' during the 3rd ASEAN-India Summit in Vientiane. The Agreement articulated the vision of

future cooperation between India and ASEAN, and to implement this vision a Plan of Action (2004-10) was adopted which was followed by a second Plan of Action covering the period 2010-15.

At this juncture, relevant to the consideration of the next Plan of Action for 2016-21, which is at the drafting stage, it must be mentioned that during the 25th ASEAN Summit which was held in November 2014, the ASEAN Community's Post-2015 Vision was adopted and provided a comprehensive blueprint for ASEAN which it hopes to achieve in the end a community that is politically cohesive, economically dynamic, and socially and culturally harmonious in the midst of diversity.

Delhi Dialogue VII

With the new and emerging challenges in the region which encompass concerns on domestic imperatives of resilience in the light of the regional imperatives of peace and stability, the Members of ASEAN and India are looking to expand areas of cooperation. It is in this broader sense that convergence becomes urgent as the lynchpin in strengthening the ASEAN-India Strategic Partnership in the long run.

A View on a Post-2015 Agenda

In trying to rationalise the topics in the presentation, at the outset I will attempt to present general overview or state-of-play of the various talking points or areas for discussion and then, if appropriate, trends and emerging directions or thrusts will come into the picture. And just to apprise us of the importance of certain talking points, some insights and, if any, localised perspectives have been resorted to. Invariably, prospective thinking has found its way in the next steps or way forward. Moreover, a brief of recommendations has been provided here and there when warranted.

Some Talking Points that I would cover are:

- ASEAN-India partnership.
- Education and skills development.
- Mutual recognition of degrees and qualifications.
- Cultural linkages.
- People-to-People contact.

In a strategic sense, the ASEAN-India partnership must be viewed as one that is not merely anchored in economic and commercial concerns. In reality, it can be characterised as a partnership that shares common values of democracy, respect for civil liberties and rule of law. In the previous Dialogues, it became obvious that healthy and frank exchanges on political and security issues have taken place, among others, and not to mention that the partner economies share cross-roads culture, which is a strategic ingredient in the facilitation of the free flow of peoples, goods, cultures and ideas between and among the partners resulting in the enrichment of the entire region.

The ASEAN-India KBE Corridor

Knowledge-based economy (KBE) came about as a result of the intensification of the globalisation process, dramatic scientific advances, and the development and spreading of information and communication technologies. It is this reality of the hyper-competitive, global, knowledge-driven economy of the 21st century that is stimulating the powerful forces that will reshape the nature of our societies. Needless to say, economic prosperity and social wellbeing in a global knowledge driven economy requires public investment in knowledge resources—that would hasten the sustenance of a knowledge-based economy (KBE). This reality, therefore, continues to be a crucial key towards strengthening ASEAN-India relationship in the 21st century and has been a recurring theme in almost all dialogues and exhortations on the matter of viability of economies and on galvanizing such partnership. In line with this, the crucial role of connectivity and technology cannot be overemphasised

KBE: A Knowledge Driven Development Process

As a development driven process, KBE to be an effective engine of growth should be firmly anchored on four basic pillars, namely: the presence of a highly educated and skilled labour force, a modern and adequate information infrastructure, an effective innovation system, and a propitious overall business and governance framework of the country which determine the crucial flow of investment in the first three factors.

However, some economies still face challenges and these need to be addressed in order to bring about the expected impact of KBE as an essential economic driver. Some of these challenges include the following:

- How to build a knowledge economy to drive and sustain growth?
- What needs to be done in education and skills development, technological readiness and innovation to support KBE in the present context?
- What about competition policies and framework to access high-level, relatively less skilled human resource?

In many development reports, it has been observed that ASEAN countries exhibit the potential to attain higher economic growth and development, but for the economies to continue the pattern of growth and expansion this situation can only be beneficial to all if they continue to recognise the critical pillars or elements of a knowledge economy and to fuel the movement to KBE through collective efforts in investing towards becoming knowledge economies.

In the Chairman's statement of the 12th ASEAN-India Summit held in Naw Pyi Taw, Myanmar, in November 2014, the leaders further noted the progress of ASEAN-India cooperation to share IT knowledge and experiences through the establishment of IT training centres; setting up of software development centres; provision of technical assistance in IT curriculum development and teacher training in IT; support by India to enhance IT skills of ASEAN workforce through scholarships, joint training programmes and courses; e-learning, seminars, workshops for public and private personnel and students and exchanges of IT experts. While the scenario is quite encouraging, some challenges remain to be addressed as articulated by development experts such as issues and concerns as shown below, to name a key few:

- Shift to knowledge, innovation and high-end services needed to advance the knowledge economy.
- Systematic investment in new ICT, manufacturing and other technologies.
- Shift to smart energy grids, cloud computing, 3D manufacturing and mobile communications.
- Need to put in place mechanisms and adopt policies that enable innovation and creativity to flourish
 - Increase investment in research and development to create innovative, competitive industries.
 - Higher education and training need to be significantly improved to generate the skills and critical thinking processes vital to a modern competitive economy.

Education and Skills Development

As an important pillar in the KBE, education and skills development must continue to be enhanced and levelled up to 21st century expectations and outcomes. Economies of Asia need to innovate or they will stagnate. As shown by a new Asian Development Bank (ADB) study *Innovative Asia: Advancing The Knowledge-Based Economy*, economies must become knowledge economies driven not just by factories and farms, but by innovators backed by advanced technologies, world leading education systems, and business friendly policies (Bindu N Lohani, ADB). Likewise, there is also now a growing awareness of the need to link education to employment and the direction of education policy makers and the international education community is towards skills required by the workforce to promote economic growth, veering away from merely raising literacy levels and increasing access to secondary and higher education (Nicholas Burnett, managing director of the Results for Development Institute in Washington, DC, and a former assistant Director General for education at UNESCO, Education for All [EFA] Global Monitoring Report). Experts have noted some trends and interventions that are emerging and worth examining as follows:

- Focus on mere raising literacy levels towards skills required by the workforce to promote economic growth.
- Ensure colleges and universities produce graduates with the right skills—Workplace-Ready skills.
- Enhance /expand connectivity (Internet, IT).
- Increase capacity to innovate: increase R&D investments.
- Improving quality and relevance of higher education.

Trends in Technical and Vocational Education and Training (TVET)—The Shanghai Consensus

Participants at the 3rd UNESCO TVET Congress in Shanghai, China, concluded that the development of technical and vocational education and training (TVET) should be a top priority in the quest to build inclusive and greener societies, tackle global unemployment, and to make it more responsive to the needs of 21st century societies.

The Shanghai Consensus called for the deep transformation and expansion

of TVET and identified several areas of action to address these issues and suggested meaningful trends that can be sustained, thus:

- Building skills for work and life should be a top priority in the quest to build inclusive and greener societies and tackle global unemployment.
- Enhancing stakeholders' participation in governance, improving the relevance of TVET.
- Expanding access to it and improving quality and equity.
- Adapting qualifications and developing pathways to TVET that provide young people with skills that are relevant to the labour market.
- Increasing investment in TVET and diversifying financing and advocating for TVET to make it more attractive for learners, families and all other stakeholders.
- Explore the possibility of setting up an international task force to develop guidelines for recognition of qualifications and quality assurance in TVET.
- Rethinking of the nature and roles of TVET in contributing to more equitable and sustainable patterns of human development is now underway.

Mutual Recognition of Degrees and Qualifications

In the ASEAN-India Plan of Action, the promotion of Mutual Recognition Agreements (MRA) between two or more parties to mutually recognise or accept some or all aspects of one another's educational systems and qualifications would lead to greater people-to-people connectivity, the free flow of goods and services, and overall facilitation of trade and investment. The Plan called for more academic benchmarking that would lead eventually to comparability of degrees, efficient transfer of credits and greater collaboration between and among ASEAN and Indian colleges and universities.

With the increasing developments and encouraging interest and cooperation of member economies, the mutual recognition of studies, diplomas, degrees as well as qualifications would lead to greater academic mobility, quality assurance and availability of information on higher educational institutions in the region, mobility of practitioners/professionals and business people.

The ASEAN Qualification Framework (AQRF)

A model that the ASEAN-India Partnership may look into is the prevailing framework for the ASEAN MRAs which aims to facilitate the following: mobility of practitioners within ASEAN, exchange of information and enhancement of cooperation in respect to mutual recognition of professionals or practitioners, provision of capacity building and training opportunities. Recognition by member economies would require evaluation of at least three areas namely: education and training, experience, and certificates and licenses. Likewise, the present AQRF may be considered. The AQRF is basically a translation device that compares qualifications across economies. It covers the three levels of education, namely: basic education ((elementary to high school), TVET and higher education.

Philippine Perspective

In the Philippine context, the recognition and eligibility of foreign professionals under an MRA would require compliance with certain guidelines and requirements such as:

- Possession of a qualification recognised by Professional Regulatory Agency (PRA) of country of origin and host country.
- Possession of a valid professional registration and license to practice issued by PRA of country of origin.
- Active practice of profession, as follows:
 - Engineers/Architects: 7 years
 - Medicine/Dentistry: 5 years
 - Nursing: 3 years
- Compliance with continuing education and development (CPD) requirements.
- Certification of non-violation of any professional or ethical standards, local and international.
- Declaration that there is no investigation or legal proceeding pending against him/her in the country of origin or another country.
- Compliance with any other assessment or requirement as may be imposed by host country.

Cultural Linkages

During the commemoration of the 20th anniversary of the ASEAN-India dialogue relations, the leaders of the ASEAN and Indian economies clearly acknowledged that the civilisations of ASEAN and India have been enriched by cross cultural exchanges over several millennia, where knowledge and ideas, goods and spiritual traditions have moved seamlessly across borders. Along these lines, they vowed to strengthen socio-cultural cooperation and promote greater people-to-people interaction through increasing exchanges in culture, education, youth, sports, creative industries, science and technology, information and communication technology and software, human resource development and scholarly exchanges, among others.

As enunciated in the Chairman's statement of the 12th ASEAN-India summit held in Nay Pyi Taw, Myanmar in November 2014., the leaders emphasised enhancement of cultural exchanges and the establishment of religious heritage sites in the region as a positive step in this direction.

Likewise, the Chairman's Statement on the Post Ministerial Conference (PMC) 10+1 sessions was quite encouraging when the meeting highlighted the need for cooperation in organising meaningful cultural events and exchange programmes that would advance mutual understanding of peoples in the region.

12th ASEAN-India Summit in Myanmar

During the Summit the leaders highlighted efforts on cultural exchanges, religious heritage sites and cultural events. Along this line, the leaders encouraged the effective implementation of efforts in deepening cultural exchanges, consideration of establishing a circuit of Buddhist heritage sites in the region; and, organising meaningful cultural events. Some challenges have also been faced, among others:

- How to address the so-called cultural loss in ASEAN countries?
- How to achieve an orchestrated preservation of cultural heritage?
- How to protect cultural heritage, cultural and indigenous people's rights?

People-to-People Contacts

In enhancing ASEAN-India connectivity and community building, India can

take on a key role in further strengthening connectivity and thus facilitate the mobility of people. One such approach could include far reaching efforts of India and ASEAN to nurture a regional architecture which would improve the well-being and prosperity of the wider section of societies in the region. Some opportunities have been suggested such as: encouraging cross fertilisation of technology, developing sustainable social entrepreneurship, fast pace urbanisation and increasing business productivity. The concept is to facilitate the building of an ASEAN-India Community to serve as a foundation for a more enhanced people-to-people connectivity beyond the region.

Again, consistent with the partnership framework, in the Chairman's statement of the 12th ASEAN-India Summit held in Nay Pyi Taw, Myanmar in November 2014, the leaders further highlighted the need to enhance people-to-people connectivity and highlighted connectivity initiatives and exchange on culture, education, media and tourism:

- In the area of tourism, the leaders encouraged the effective implementation of the ASEAN-India Tourism Cooperation under the Framework of the 2012 MOU and suggested immediate attention to be given to the consideration of establishing a circuit of Buddhist heritage sites in the region. The leaders also underscored Visa Facilitation and agreed to intensify dialogue on visa issues, evolving knowledge and skill initiatives, role of sporting events to link universities and, enhance interaction between and among institutions for healthcare, medicine and pharmaceuticals

In view of the above, some insights can be gleaned:

- Strengthening People-to-People Relations: The lynchpin that will bind the ASEAN-India partnership.
- More initiatives on non-governmental and People-to-People relations be institutionalised in the areas identified by the leaders and to flow to science and technology (S&T) research and ICT innovations.
- Openness: mechanisms in the national contexts to hasten people to people contacts.

Philippine Perspective (A Case in Point)

In view of the leaders' declaration on this matter, the Philippine-India Joint Consular Consultation Meetings (1st and 2nd) have brought about discussions and positive next steps, among others, on:

- Visa facilitation schemes for students, businessmen, and professionals.
- Special VISA schemes for investors and retirees.

Discussion Areas included:

- Review of the 1st Philippine-India Joint Consular Consultation Meeting.
- Visa policies for short-term visitors.
 - a) Group tours.
 - b) Visa regulations for temporary visitors.
- Visa policies for students.
- Visa policies for employment.
- Policies for special resident retiree's visa.
- Various updates
 - a) Filipinos in India:
 - i) Exit visas for Filipinos in India.
 - ii) Filipinos married to Indian nationals
 - b) Nationals of India in the Philippines
- Requirements for extension of visa or stay

Mobility of Students and Researchers

Indian students in Philippine Higher Education Institutions (HEIs) have featured as key players in the last five years or so. Certainly, for most Indian students, the Philippines have become a choice destination for conducting higher education endeavours. Among the reasons cited include the language issue, a friendly environment to study, the food, climate and the attitude of the Filipinos, in general, not to mention the attraction of the mix of Eastern and Western cultures. To date, more than 600 HEIs are allowed to admit foreign students in the country and so far about 330 HEIs are enrolling foreign students. The number of foreign students in the Philippines is approximately 8,000 and increasing across the country in various programmes. With respect to mobility, some activities may be worth considering:

- Benchmarking and identifying best practices for ASEAN-India on course accreditation and quality assurance systems as well as targeted capacity building projects.
- Developing models to guide reform and regulatory convergence, drawing on case studies of domestic education providers.

- Exploring ways to increase the transparency/attractiveness/efficiency of student visa regulations.
- Developing existing academic exchanges and joint research activities among ASEAN-India HEIs.
- Exploring ways to improve mobility of the academic workforce.
- Exchanging best practices for market access and capacity building.
- Mapping out existing regulations for the establishment of foreign providers.
- Benchmarking and identification of best practices on quality assurance systems.

Conclusion

For consideration of the leaders in future declarations, it is humbly suggested, in the context of sustaining the gains, that human resource development is a key ingredient to economic prosperity and inclusive growth:

Adoption of a HRD Framework that would address multi-faceted issues covering people capacitation in critical areas; mobility of qualified HR/professionals crucial to trade and investment liberalization as well as People to-People connectivity.

For continuity, it is further proposed that this mechanism be shepherded through a Technical Working Group that would be institutionalised and supported by the ASEAN-India partnership to ensure continuity, stability and efficiency.

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Strengthening Cultural and People-to-People Connections between India and South East Asia: Reflections and Recommendations

*Rajesh Rai*¹

Scholars analysing the cultural and people-to-people connections between India and South East Asia are immediately confronted by the perplexity of identifying unity in regions/countries that are inherently culturally diverse. That is not to suggest that cultural and people-to-people unities between India and South East Asia do not exist, but rather brings to the fore an appreciation of the variations in the extent to which India was, and remains, culturally connected to the countries of South East Asia.

The socio-cultural and people-to-people relations between South East Asia and India are historical. Indians have been travelling to South East Asia since the pre-Christian era, their religious-cultural influence inspiring the development of several riverine and thalassocratic empires including, amongst others, Funan, Champa, and Khmer in Cambodia and Southern Vietnam; Srikshetra and Dvaravati in contemporary Myanmar and Thailand; Sri Vijaya and Majapahit in what today is Indonesia. These lands were certainly not unknown to the ancient Indians, who referred to the region as Suvarnabhumi and Suvarnavipa.

Despite the great antiquity of this connection, and the considerable influence India had on civilisational development in South East Asia, there is little evidence to suggest large-scale migration from the subcontinent to South

East Asia prior to the European arrival. Colonial rule changed that. British-ruled colonies saw the emigration of millions of Indians, mainly to Burma and Malaya, through slave-like systems of labour emigration including the indenture kangani and maistry (workmen and foreman) systems. Alongside labour migrants came traders and merchants, sipahis (soldiers) and policemen connected to the British Raj and over time educated personnel. A smaller number of Indians ventured to Dutch, French and Spanish-controlled colonies as well to Thailand, while many through business networks were connected to Burma and Malaya. Till date, the overwhelming majority of the just under four million Indians in South East Asia are immigrants or descendants of immigrants who arrived during the colonial period (Table 1). After a break in the newly independent states from about the 1950s to the 1980s, Indian migration has resumed in this age of accelerated globalisation—comprising mainly of educated personnel, entrepreneurs and transient semi-skilled and unskilled workers to major cities in South East Asia, mainly Singapore, and to a lesser extent Kuala Lumpur.

Collectively, the Indian diaspora in South East Asia, comprising both Persons of Indian Origin (PIOs) and non-resident Indians (NRIs), comprises some 17 per cent of the total ‘Indians overseas’ population. Historical antecedents and the contemporary economic position of these states have however ensured a haphazard distribution. The bulk of Indians in South East Asia are based in Malaysia, Myanmar and Singapore. Thailand, the Philippines, Indonesia and Brunei have middle-sized overseas Indian communities ranging from 10,000 to 150,000, whereas only a very small number of Indians are based in Cambodia, Vietnam and Laos. While PIOs in South East Asia account for well over one-quarter of the total global PIO population, South East Asia accounts for only 6.5 per cent of the total NRI population, and the majority of these Indian NRIs in South East Asia are based in Singapore. While the PIO diaspora is not as connected to India as the new immigrants, they too have a great interest in the heritage of their ancestors. There is every expectation, that a deepening connection between India and ASEAN will have positive ramifications for both the PIO and the NRI diaspora.

Another important people-to-people linkage between India and South East Asia is the deep connection that exists between the North East of India and Western Myanmar, especially for certain ethnic groups that straddle national

Table 1: Country-wise Population of Overseas Indians in Southeast Asia (2012)

S.No.	Country	Total	NRI	PIO	Stateless
1.	Malaysia	2,050,000	150,000	1,900,000	-
2.	Myanmar	756,560	3,160	353,400	400,000*
3.	Singapore	670,000	350,000	320,000	-
4.	Thailand	150,000	90,000	60,000	-
5.	Philippines	50,000	47,000	3,000*	-
6.	Indonesia	36,050	1,050	35,000	-
7.	Brunei	10,068	10,000	68	-
8.	Cambodia	1,500	1,500	-	-
9.	Vietnam	780	750	30	-
10.	Laos	130	80	50	-
Total		3,725,08817	653,5406.5 per	3,071,548	-
		per cent of total	cent of NRI	(includes stateless)	
		Indians Overseas	population	25.8 per cent of	
		Population		PIO population	

Source: Ministry of Overseas Indian Affairs. Government of India.

boundaries like the Chins and Nagas. Thus, when looking at developing communication linkages across the North East corridor of India, it is imperative that this be seen not only in economic terms. Rather, there appears to be an even greater potential in bringing kith and kin, divided by political boundaries, closer together.

Harnessing the Ancient Religious-cultural Connection

An appreciation of the scholarship on the Indian influence in South East Asia is useful in making sense of the religious-cultural connection between the two regions. Early writings on India-South East Asia relations, for example, by the likes of Prof R.C. Majumdar,² emphasised a type of Indian cultural imperialism over South East Asia. This was propounded through Majumdar's 'Kshatriya' theory, wherein Indian influence on early South East Asia was deemed a product of colonial coercion. An insensitive reading of these early works led to the conclusion that ancient South East Asia was a cultural vacuum, until India gifted the region civilisation. Needless to say, over the last four decades, a revisionist scholarship has questioned such assumptions by focusing on two main issues. Firstly, rather than the 'Kshatriya' theory, revisionists have emphasised a more gentle influence by traders³ (Vaishya theory) and religious specialists (Brahmana theory). They also argue for the consideration of the agency of indigenous South East Asian kingdoms in fostering such a linkage.

The second focus, which builds on the first, suggests that Indian religious-cultural influence was a veneer or, as Professor van Leur described it, only a 'thin flaking glaze',⁴ limited to the highest strata of South East Asian society, who used these religious-cultural ideas to strengthen their position, but with little significance to the wider masses.

As in many such polarised debates, the truth lies in between. South East Asian countries drew cultural elements from India, but indigenous elements were enmeshed, giving them new meaning, resulting in new formulations. In this reading, Indian cultural ambassadors would have been protagonists but South East Asians too had agency, adopting elements, discarding other aspects. Indian deities, the epics—*Ramayana* and the *Mahabharata*, and various Hindu-Buddhist myth-symbol complexes and practices were adopted and indigenised, while others were ignored—a prime example being Indian patriarchal notions. Through that mix, South East Asian cultures developed a new level of sophistication. Yet, it would be error to assume also that Indian cultural influence was only a veneer. Indeed, a visit to Bali, where children in villages still style themselves in the image of super-heroes of the Mahabharata like Bhim and Arjun and the like, would raise questions on such assumptions. The resonance of that shared cultural heritage is evident in many states of South East Asia even today and certainly so in Thailand, Myanmar (Burma), and in Indonesia.

While that ancient Indian influence remains alive and not a 'thin flaking glaze,' the significance of this cultural connection in many parts of South East Asia is diminishing. The concern is that unless real efforts are made, and resources put in place for historical research and education and in restoration works in the development of heritage sites, the 'dilution' will continue, rendering, in time to come the ancient connection between India and South East Asia, meaningless.

Attempts at harnessing the potentialities of this ancient cultural connection has been piecemeal. The Archaeological Survey of India has been involved in reconstruction projects at Angkor Wat and at Ta Prohm in Cambodia, and some preliminary studies in Myanmar and Vietnam. But otherwise that engagement has been limited. Education in this field of inquiry has been limited both in India and in South East Asia. Likewise, state initiatives for cultural exchanges have been limited, although made up for to some extent

by the actions of NGOs—mainly religious-cultural organisations and individuals. Such individual and non-governmental organisation efforts were important, for example, for the Balinese in the period after Indonesia's independence, when there were concerns that the Balinese would be pressed to give up their traditional religious practices.

Two issues are central in harnessing the potentialities of this ancient heritage. Firstly, the Indian state's willingness to pursue that role, both ideologically and in terms of resources. Secondly, whether such an initiative would be acceptable to the host country. There is evidence to suggest that Malaysia, for example, would likely have concerns about initiatives in this direction. Indeed, there is a tendency, if not to suppress, then to limit, knowledge of the historical connection to a pre-Islamic past. Even in this case, however, a soft approach can be considered, for example in the development of Indian Heritage Centres, especially where a significant diaspora exists, like the one that has recently been established in Singapore.

Historical Engagement with the Diaspora

India's engagement with the diaspora can be marked out in three distinct phases. In the pre-independence period, the treatment of Indian labour was an important concern for Indian nationalists and resulted in the dispatch of several missions abroad including to South East Asia. Concomitantly, as political influence spread, the diaspora became a vehicle for promoting the cause of Indian independence.

Following independence, the close ties that the nationalist leadership had forged with overseas Indians was strained as Indian leaders distanced themselves from the diaspora. Following the partition, India's concept of citizenship was framed on the basis of territory. Nehru held the view that India's interest vis-à-vis Indians abroad, who were not its citizens, would be limited to cultural dimensions. Concerned as well with cultivating solidarity with postcolonial states, Indians overseas, he averred, should be loyal to their adopted state and keep in mind the interests of the local population. That distancing was added to by a negative attitude towards the movement of highly-educated Indians to West from the 1960s, which was viewed as a 'brain drain'.

A gradual re-think of the Indian state's position vis-à-vis the diaspora was manifest from the 1980s onwards. In 1986, for example, the Rajiv Gandhi

government established a consultative committee for NRIs with representatives from different ministries. An Indo-NRI Chamber of Commerce and Culture was also established in 1987 to foster trade and investment. Since the 1990s, that engagement has deepened significantly and especially encouraged by the BJP led NDA governments. This has led to several initiatives including a separate Ministry for Overseas Indians, the annual Pravaasi Bharatiya Divas, the PIO and the OCI card, amongst others. New programmes have been established including the Know India Programme, the Study India Programme and the Tracing the Roots Scheme.

Potential Initiatives to Deepen Connections

Utilising the ancient cultural connection, some measures have already been put in place. For example, the development of Buddhist pilgrimage sites and an extension of that also in the educational sphere, such as the Nalanda-Srivijaya project. These need to be developed further. Beyond Buddhism per se, many Balinese people, even as they recognise differences between Balinese Hindu religion and the type of Hinduism practised in India, are keen to visit Hindu pilgrimage sites in India. Likewise, Islam in South East Asia arrived from India, and there is potential for the development of pilgrimage circuits in this regard. On the South East Asia side, the very existence of major ancient Hindu historical and cultural sites presents the opportunity for the propagation of these as part of Hindu pilgrimage circuits for visitors from India.

Cultural exchanges in terms of, for example, *Ramayana* and *Mahabharata* festivals need to be enhanced. Many countries in South East Asia have their own variations of the *Ramayana* and *Mahabharata* which incorporate indigenous elements. Their dance forms also display a hybridity of Indian and indigenous elements, and cultural exchanges in this regard could be useful. With regards to North East India, the development of communication linkages carries with it the potential of facilitating and possibly renewing kinship ties across these boundaries. An additional spinoff, for many of the people who are living on the Myanmar side, is the possibility that they will be able to turn to North East India, for higher education facilities and medical purposes.

The NRIs, i.e., recent emigrants from India to select South East Asian states, have remained closely connected. But closer links between India and South East Asia creates the potential even for the 'old' diaspora—those who

migrated during the colonial period, and their descendants—to reconnect. Many Indians who are based in Myanmar have long been insulated from India and the existing Ministry of External Affairs programmes like ‘Trace your Roots,’ would be valued by them. There are also many Indians in Malaysia and Myanmar who seek to turn to India for educational purposes. Malaysian Indians have long requested the establishment of a Persons of Indian Origin University in India, and given the strength of educational facilities in India, this may be a project that is worthwhile and whose time has come.

Potentially, there is also great value in augmenting the presence of medical systems born out of Indian culture in South East Asia. In South East Asia, in addition to allopathic medicines, individuals continue to turn to traditional medicinal systems including traditional Chinese medicine for their ailments. Ayurveda in comparison has a minor presence, and that too limited to cosmopolitan cities like Singapore, where currently only about five Ayurvedic centres exist. In this regard, there is scope for expansion, especially as an increasing number of people, who are unable to get respite with allopathic medicines, are turning to traditional medicine. Indeed, in this regard, there is certainly potential for Ayurveda—a medicinal system born out of Indian culture—to succeed globally, just as Yoga has done over the last two decades.

Sensitivities

India’s current enthusiasm with the diaspora, needs always to be tempered with sensitivity to both the diaspora and the South East Asian states in which they reside. In this regard, it should be noted that the diaspora is not divorced from the politics of identity in India. Divisions along religious and ethnic lines has an impact on intra-diaspora relations, 1984 being a case in point for Sikhs in the diaspora. Inevitably, such disharmony will also impact the way in which the states that the diaspora resides in views, India.

Secondly, direct engagement with the diaspora in South East Asia can also generate anxieties in the South East Asian states. PM Modi’s direct appeal to the diaspora in the United States and Australia has been celebrated as a success, but similar direct outreach attempts in South East Asia can be viewed as insensitive. This is especially so where such outreach can have an impact on domestic politics—as in the case of Malaysia, for example, where memories of the Hindraf protests in 2007 still have political resonance.

NOTES

1. Rajesh Rai is Assistant Director and Senior Research Fellow at the Institute of South Asian Studies (ISAS) and concomitantly Associate Professor at the South Asian Studies Programme (SASP) at the National University of Singapore (NUS). He would like to record his appreciation to Mr Thatchinamoorthy for editorial assistance.
2. See, for example, R.C. Majumdar, *Hindu Colonies in the Far East*, Calcutta, 1944.
3. See G. Coedes, Some problems in the Ancient History of the Hinduized States of South East Asia, *Journal of Southeast Asian History*, Vol . 5 (1964), 1-14.
4. J.C. van Leur, 'On Early Asian Trade', *Indonesian Trade and Society*, The Hague/Bandung, 1995, 95.

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ASEAN-India Socio-cultural Cooperation in Knowledge Economy and Education

Baladas Ghoshal

Knowledge Economy essentially refers to the service sector, but more specifically to leveraging technology, interconnectivity and Big Data analytics to provide solutions in manufacturing, supply chain, agriculture, business consulting, etc.

India's strengths lie in the English language skills, pockets of excellence in higher education, and robust IT industry, but increasingly more important, frugal engineering. Focusing on what C.K. Prahalad, the late Management Guru of Corporate Strategy, called the bottom of the pyramid, low cost hi-tech solutions, especially in healthcare, education, and low-end manufacturing. Add to this the managerial talent unmatched across all sectors but especially in the knowledge sector (IBM, Microsoft, etc.)

A unique development was that India skipped the industrial phase and went directly to the 'knowledge' phase and has had to optimise and compete in this space. The beginnings of a robust R&D industry, also on the horizon with government support, is finally apparent. Also, are the beginnings of public-private support for entrepreneurial efforts based on the Silicon Valley model (the quintessence of a Knowledge Economy). The recent bankruptcy law goes a long way towards enabling this.

Significant opportunities are emerging with relation to the previous points with unprecedented growth in smartphone penetration bringing more and

more of the population into the information age. Some of the technologies already in use are electronic money transfers to accounts through smartphone, ID verification, real-time updates on weather, crop patterns to farmers, etc.

One of the priorities of the government in India is developing smart cities (vague term, but essentially the use of information technology and big data analytics to improve public utility services in the city). Also, the potential tie-up with Singapore which is aggressively pursuing solutions in these areas (mostly with MIT and Carnegie Mellon), is promising.

India holds a comparative and somewhat significant advantage in all these skill-sets as compared to many ASEAN countries. It can play a lead role in integrating the region through these technologies and initiatives. Over the years, ASEAN-India socio-cultural cooperation has been expanded to include human resource development, science and technology (S&T), people-to-people contacts, health and pharmaceuticals, transport and infrastructure, small and medium enterprises (SMEs), tourism, information and communication technology (ICT), agriculture, energy and Initiative for ASEAN Integration (IAI). All cooperation projects are funded by the ASEAN-India Fund (AIF). Other forms of engagement include physical and institutional 'connectivity.'

With the on-going restructuring of economic activities, physical connectivity is essential for the economic and financial integration of India and ASEAN. People-to-people connectivity via media and other forms of communication can help community groups, academic institutions, and arts and cultural institutions. Travel, study, academics, science and technology, work and professional links, cultural activities, sports, religious, etc., are aspects of people-to-people connectivity. People-to-people connectivity is vital for integration of societies and countries. Media can play a vital role in shaping perceptions and enhancing communication between India and ASEAN. That requires cooperation and establishment of links between journalists and people from electronic media for dissemination of news for a better understanding of the strengths and weaknesses of each other. Cooperation in the areas of physical, digital, financial and media 'connectivity' throws open huge opportunities for businesses in India and ASEAN.

The Action

India is actively contributing to the implementation of the IAI Work Plan

with the implementation of some of the IAI projects/activities by supporting the capacity building programmes such as the Entrepreneurship Development Centres (EDC) and the Centres for the English Language Training (CELT) in Cambodia, Lao PDR, Myanmar and Vietnam. India is also positively considering the establishment of a CELT in Indonesia. Requests for additional CELTs in Kampongcham in Cambodia; Luang Prabang and Sawanakhet in Lao PDR; Yangon and Nay Pyi Taw in Myanmar; and at the National Defence Academy of Vietnam in Hanoi are also under active consideration of the Indian Government. In examining these requests, a team from India visited Cambodia, Lao PDR and Vietnam in May-June 2013. India has agreed to continue financial support for another two years to the Vietnam-India Centre for English Language Training Centre (VICELT) in Da Nang.

In addition, there are ongoing annual programmes, namely ASEAN-India Students Exchange Programme, Special Course for Exchange Programme, ASEAN-India Young Farmers Exchange Programme and the ASEAN-India Network of Think-Tanks. Under the Indian Technical and Economic Cooperation (ITEC) programme, India has been offering 1102 scholarships annually to the ASEAN member-states for a large number of short-term training programmes in various sectors. Additionally, India also provides around 200 scholarships to ASEAN students every year for bachelors, masters and doctoral programmes in premier Indian Institutes every year under the Indian Council for Cultural Relations (ICCR)'s scholarship scheme. So far, 294 space scientists from ASEAN member-states have benefited from the training programmes at the Centre for Space Science and Technology Education in Asia and the Pacific (CSSTEAP) in Dehradun, India.

Capacity-building Support

The ASEAN-India Green Fund was set up in 2010 to support cooperative pilot projects between ASEAN and India for promotion of technologies aimed at promoting adaptation to and mitigation of climate change. The ASEAN-India S&T Development Fund was established to encourage collaborative R&D and technology development between ASEAN and India. Telecommunications Consultant India Ltd (TCIL) is preparing a project for linking through internet-based Virtual Private Network (VPN) the various CELTs, EDCs, Educational Institutions and Health Centres to four content

providers on the Indian side, namely, Indira Gandhi National Open University (IGNOU); English & Foreign Languages University (EFLU), Hyderabad; Entrepreneurship Development Institute of India (EDII), Ahmedabad; and Sanjay Gandhi Post Graduate Institute of Medicine (SGPGIM), Lucknow, to provide tele-education and telemedicine services. India has also been extending financial assistance to the Economic Research Institute for ASEAN and East Asia (ERIA) in Jakarta, which is involved in undertaking policy research on topics of interest to the ASEAN member-states that can contribute to bridging the development gap within ASEAN.

Another important programme of cooperation and India's support for capacity-building is the training of ASEAN diplomats at the FSI. It has opened its training programs to foreign diplomats on a selective basis in order to strengthen institutional linkages, to generate regional understanding and goodwill, and to respond to the needs of neighbours in the region, particularly ASEAN and other countries in the Asia-Pacific Region. This is to provide technical assistance to other countries and to share the Institute's facilities and knowledge pursuant to either a bilateral or regional agreement or commitment. The Institute identifies capacity-building programmes for foreign diplomats in the area of communications, management and international affairs and diplomacy. It specifically customises rank-based programmes. The FSI, upon request, conducts the following courses for foreign diplomats: the ASEAN English Language Training Course for Vietnamese Diplomats; the Training Program for Diplomats from Cambodia, Lao PDR, Myanmar and Vietnam (CLMV); and the Training Program for ASEAN Mid-Career Level Diplomats. A preparatory Training Course in English was conducted by the Institute in Timor-Leste. Myanmar and Timor-Leste diplomats occasionally participate in the Foreign Service Officers (FSO) Cadetship Course conducted by the Institute.

The Centre for Public Policy (CPP), Indian Institute of Management (IIM), Bangalore has proposed to hold an 'Executive Programme in Public Policy and Management' for 20 ASEAN civil servants. In the area of capacity building and transfer of technology, a number of training capsules had been organised, namely Training on Agricultural Equipment for Productivity Enhancement; Training on Processing and Value Addition of Soy Products and Coarse Cereals; and Training on Production and Processing Technology

for Value Addition of Horticultural Products in 2012. Furthermore, several trainings had been approved and were conducted in 2013, such as Training on IT Application for Agricultural Extension (e-Extension); Training on Organic Certification for Fruit and Vegetables (2013); and Training on Organising and Implementing an Effective National Seed Quality Control System.

Science and Technology

A large number of projects in the field of science & technology are being successfully implemented with budgetary support from the ASEAN-India Science & Technology Development Fund (AISTDF) and the ASEAN-India Fund (AIF). The ASEAN-India Science & Technology Digital Library project, spearheaded by Department of Science & Technology (DST), Government of India and the Indian Institute for Information Technology (IIIT), Allahabad, has achieved significant progress. The basic hardware, developed and tested in IIIT-Allahabad, for Content Digitization Centres have been installed at ASEAN Secretariat Headquarters and sites selected by eight ASEAN Member States (except Singapore and Brunei Darussalam). This is meant for complete digitisation of printed knowledge resources into an electronic, shareable form in English and translated forms in local languages. IIIT-Allahabad has also conducted training of technical persons associated with digital library sites nominated by participating ASEAN member-states in India. The participating AMS is currently arranging procurement of the necessary equipment such as computers and servers following the specification given by the Indian Coordinator.

The ASEAN-India Virtual Institute for Intellectual Property (VIIP) project, aimed at setting up an ASEAN-India Web Portal on Intellectual Property, is being executed by Andhra Pradesh Technology Development & Promotion Centre (APTDPCC); Confederation of Indian Industry (CII); Technology Information, Forecasting and Assessment Council (TIFAC), an autonomous organisation under DST, and the Government of Andhra Pradesh. This portal would be a dynamic platform for sharing resources on IP laws, and policies; providing IP support services on all aspects of IP filing-infringement-protection-enforcement and training in IPR. The first cut of the portal with the structure and framework was shared with ASEAN Secretariat & Global

Innovation and Technology Alliance (GITA) by APTDC in July 2012. While the structure is ready, content from Indian side is being incorporated periodically in the portal. The ASEAN-India Technology Information & Commercialisation Portal (TICP) is being developed by CII and Tamil Nadu Technology & Development Promotion Centre (TNTDPC). The portal would act as a dynamic platform for linking existing technology transfer/licensing organizations, R&D institutions, and laboratories in ASEAN and India for sharing of information and expertise, training, posting technology, contracting research offers, promoting collaborative technology development and facilitating transfer of technologies between ASEAN and India.

Information and Communication Technology

A consolidated project proposal from the Center for Development of Advanced Computing (C-DAC), Noida, entitled 'One Comprehensive Proposal of India to Create a Sustainable IT Infrastructure for Advanced IT Training Using Conventional, Virtual Classroom and e-Learning Technologies' to set up four IT centres in CLMV countries has been approved in the early 2013. Subsequently, a composite delegation from India comprising representatives from Department of Electronics and Information Technology and C-DAC had detailed discussions on modalities of setting up of the IT centres in CLMV countries and the resource Centre in Noida, India. Subsequently, consultations and discussions on detailed arrangement and management, including identification of host institute by CLMV countries, have been undertaken to pave the way for the implementation of the project. The proposal also envisages training programmes in various IT-related courses for 320 participants from all 10 ASEAN member-states.

New and Renewable Energy

India and ASEAN are also envisaging sharing of experience on development and deployment of renewable energy resources and to identify the institutions for establishing long-term cooperation between institutions in India and ASEAN member-states. The major areas of cooperation that emerged in the workshop included: (i) experience sharing in renewable energy resource assessment using GIS and remote sensing technologies, (ii) sharing of renewable energy equipment calibration and testing facilities, (iii) protocol and evaluation

methods, (iv) standards and certification procedures, (v) off-shore power supply and transmission technology utilising wind and ocean technologies, (vi) regional network on R&D on renewable energy technology facilitating sharing of best practices and lessons learnt, (vii) exchange of ideas for providing energy access to rural population through promotion of micro-grids/off-grids based on renewable technologies, and (viii) sharing of experience in financing of renewable energy projects.

Space Sector

Proposals for (i) establishment of a Data Reception and Image Processing Facility for ASEAN in Ho Chi Minh City and upgradation of the Existing Biak Telemetry Tracking and Command Station in Indonesia; and (ii) provide training to ASEAN Space Scientists at Centre for Space Science and Technology Education in Asia and the Pacific (CSSTEAP), Dehradun are being examined. The project proposal is awaiting ASEAN CPR approval. India is also taking internal financial approval before implementation could begin. All ASEAN member-states welcomed the offer from India to share satellite imageries from OCEANSAT-2 and RESOURCESAT-2 through the proposed facilities, as also to train space scientists on how to make best use of these satellite imageries for socio-economic benefits in the region. The proposals have been approved in principle by the ASEAN Committee on Science and Technology (COST) and the Sub-Committee on Space Technology Applications (SCOSA). The projects in Vietnam and Indonesia have seen cost escalation because of a decision to deploy the latest technology and the ASEAN request for operational maintenance from ISRO, India, for five years instead of the present three years.

Conclusion and Recommendations

Going by the areas in which India and ASEAN cooperate in socio-cultural issues the list is quite impressive. Efforts need to be made to see that the projects are implemented and examined carefully to gauge the effectiveness of these programmes and the extent to which they bring actual benefits to the targeted people and country. English language training and entrepreneurship development programmes, for example, need to be strengthened further, particularly in the CLMV countries. More English-language training centres need to be opened in Myanmar, which has suffered a decline in the standard

of education due to the previous governments' policy of medium of instruction through national language only. Now with the opening of the country for integration with the global economy, the country requires more of English language skills. Myanmar's higher education sector has also suffered considerably, again due to the junta's policy on education as well as the isolation of the country from the rest of the world. In consultation with the Myanmar government, India should find out its needs and requirements in the field of higher education and chart out a programme to support improvement of the educational system in that country, as some other governments and institutions like the University of Pennsylvania are doing at the University of Rangoon.

Even while there are programmes for exchange of journalists between India and ASEAN, very little news about each other are available in their respective media. There is a huge knowledge gap about each other in respect of their politics, economy, society and culture. People-to-people contacts cannot be established successfully and linkages in other areas strengthened without a clear understanding of each other's needs and requirements. This gap can be reduced with better media interactions and more coverage in each other's newspapers and electronic media. The existing scholarship programmes also need to be monitored and strengthened to see that it benefits the citizens of recipient countries which, in turn, brings goodwill for India among those countries. While offering scholarships, Indian embassies in those countries must make a concerted move to attract bright students, place them in our best institutions to receive quality education in India and turn them into critical elite who entertain goodwill for India and who can speak for India in their respective countries.

Finally, a point that has been highlighted and emphasised many times by scholars in India on South East Asia is the need for strengthening South East Asian studies in India with an institution like the Institute of South East Asian Studies in Singapore, and imparting better South East Asian language skills to scholars working on the region and with the provision for field research in their respective areas. While area studies programmes do exist in some of the universities in the country, but the quality of research that comes out from these centres is quite poor because of variety of reasons like lack of enough resources for language training and field trips. Most of the resources are spent on recruitment of manpower, many of whom are unproductive in terms of

basic research on the region. The government must make a serious review of these area studies centres and strengthen their programmes with better investments in language training skills and provision for field trips to keep the scholars abreast with the developments in their respective areas of research. The government needs a think tank on South East Asia to provide the necessary inputs into policy-making, which our diplomats with their limited stay in their respective postings cannot offer.

ECONOMIC ISSUES

Chaired by Shyam Saran

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ASEAN-India Economic Relations: Prospects and Challenges

R. Shankaran Nambiar

Introduction

ASEAN is one of the fastest growing regions in the world today. Its vibrant growth is being supplanted by an active policy of regional integration. ASEAN is taking active steps to move its proposal for an ASEAN Economic Community (AEC) forward. This notion is supported by the concept of ASEAN centrality, an idea that attempts to place ASEAN at the centre of trade engagements as well as an attractor of foreign direct investment (FDI). ASEAN centrality, besides placing more emphasis on the region, will seek to put ASEAN in a position whereby it can act as an entity in the face of other regional groupings such as NAFTA and Mercosur. Further, ASEAN has been undertaking bilateral free trade agreements (FTAs) with its trading partners.

These developments bode well for India, which seeks to engage more deeply with ASEAN. India has long had an interest in ASEAN, but this is being pursued with renewed vigour more recently. Evidence of the force with which India wishes to develop its economic relations with the region can be surmised from the ASEAN-India Free Trade Agreement as also India's participation in the Regional Comprehensive Economic Partnership (RCEP) negotiations. Domestically, the policy to 'Look East' and 'Act East' are also signs that India sees promise and benefit from greater trade and investment from the countries in ASEAN.

This paper seeks to argue that there is much that India can gain from an enhanced economic relationship with ASEAN. In view of the potential prospects which indicate that the possibilities may not yet have been fully explored, there are several areas that can be pushed ahead. The following section gives the backdrop for India's engagement with ASEAN by discussing the trade agreements that ASEAN has signed or is in the process of negotiating. The third section touches on India's trade and investment with ASEAN. The fourth section deals with the ASEAN Economic Community and ASEAN centrality since this is a notion that India will have to accept and work with. Finally, some concluding remarks are made.

ASEAN and Trade Agreements

The ASEAN member-states have long realised the need for free trade agreements (FTAs) so as to enhance trade in the region. This is particularly so for the more developed of the member-states, in particular Singapore, Thailand and Malaysia. Singapore has the largest number of FTAs in the region and some of the FTAs are also about the most stringent in the world, the strongest being the US-Singapore FTA. Singapore's ability to meet the toughest standards demanded by developed economies is hardly representative of ASEAN. Malaysia also has negotiated and concluded a large number of bilateral FTAs (with Japan, New Zealand, Pakistan, India, Australia and Chile). Thailand follows Malaysia in the number of FTAs that it has concluded. Indonesia, the Philippines, Brunei and the CLMV countries are less aggressive in the FTAs that they have signed, although Vietnam is breaking out of the CLMV mould, its participation in the Trans-Pacific Partnership (TPP) being a case in point. At any rate, ASEAN member-states have entered into multilateral agreements through ASEAN with its dialogue partners. Thus, the ASEAN-Australia-New Zealand, ASEAN-China, ASEAN-India, ASEAN-Japan and ASEAN-Korea FTAs are indicative of ASEAN's interest in taking advantage of trade opportunities in Asia, and Australia and New Zealand. More specifically, ASEAN has had a long tradition of trade and investment with Japan and Korea and with China's rising significance has forged stronger formal trade links with that country.

The Regional Comprehensive Economic Partnership (RCEP) is a natural extension of the multilateral arrangements that ASEAN already has with China,

India, Japan, Korea, Australia and New Zealand. Given the significance of strengthening East Asian economic integration, the leaders of ASEAN and the six countries endorsed the Framework for RCEP and its Work Plan at the 19th ASEAN Summit in Bali in November 2011. The RCEP derives its rationale and strength from the fourth pillar of the AEC Blueprint, viz., for ASEAN to be better integrated into the global economy.

The RCEP negotiations were launched during the 21st ASEAN Summit in Phnom Penh, Cambodia, in November 2012. It was agreed that RCEP shall involve broader and deeper engagement with significant improvements over existing ASEAN FTAs/CEP with these countries, so as to achieve a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement among RCEP members. The RCEP aims to bring together the 16 countries into a huge cohesive economic partnership with emphasis promoting inclusive and equitable growth. It aims to streamline and integrate the ASEAN+1 FTAs into a single and more coherent trade and investment architecture in the region. The RCEP will simplify and harmonise the current ASEAN+1 FTAs, which because of their differences result in difficulties in the utilisation of the FTAs. This is especially a problem for SMEs.

Once concluded, RCEP will create an alliance of a region populated by more than three billion people, with a combined GDP of more than US\$ 17 trillion and over 40 per cent of the world trade, with the RCEP parties covering 63.24 per cent (US\$ 434 billion) of the nations' global trade. It cannot be overemphasised that the creation of an economically integrated region will better equip member-states to properly locate themselves within the global value chain. In fact, companies in the region will be able to take advantage of global production networks. This will establish ASEAN as a production hub and further make the region more attractive for FDI. The involvement of India and China in RCEP will allow better access to these markets.

The RCEP participating countries envisage that negotiations will be completed by the end of 2015. The conclusion of RCEP will be one of Malaysia's priorities during its Chairmanship of ASEAN in 2015.

India's Trade and Investment with ASEAN

An analysis of India's trade structure and trends is useful in so far as it can shed light on the extent of interaction that is possible with ASEAN. There are

two possible perspectives that policy makers can adopt: (a) short-term, and (b) long-term. In the case of the former, policy makers can examine existing trends and decide on the possibilities for current trade prospects. The latter, a long-term view, is possible, and indeed preferable. In the event that present trends do not reveal significant scope for engagement, in view of the market and future prospects, countries can choose to orient their industries with the intention of capturing those opportunities.

The bulk of India's imports currently are in petroleum and petroleum products, gems and jewellery; electrical machinery and parts; iron and steel; and organic chemicals. These sectors constituted 63 per cent of India's total imports from the world in 1995 and increased to 71 per cent in 2008. Over the years, the share of imports has increased with respect to products such as petroleum, gems and jewellery, and electrical machinery sectors. These are products where complementarities exist with certain ASEAN member-states, such as Malaysia (petroleum and electrical machinery) and Myanmar (gems), for example.

However, as will be explored in the next section, India will have to strategise as to how it intends to position itself with regard to other ASEAN states. Broadly speaking, most ASEAN states do not have a comparative advantage in the iron and steel sector. Again, it is possible to explore niche areas within this sector to determine how India can engage in trade and investment with ASEAN within specific industries in these sectors. For instance, Myanmar may be able to export gems to India, while the latter can specialise in the processing, design and manufacture of high-end jewellery. Similarly, several countries in ASEAN have a high degree of experience and competence in electrical machinery, office equipment and electronic components. India can engage in trade with these countries at different levels. It is possible to invest in ASEAN countries in line with these trade patterns. To take another example, India can export its technical services to, say, Malaysia for research and design purposes so as to upgrade the light manufacturing industry in that country. That will upgrade Malaysia's exports in that area.

In terms of exports, the sectors that were dominant in the 1990s were gems and jewellery, articles of apparel (not including knit or crochet); cotton; cereals; fish and crustaceans; knit and crochet; automobiles; and coffee, tea and spices. In more recent times, petroleum and petroleum products has come

to occupy about 20 percent of India's total exports to the world, followed by gems and jewellery with slightly more than 10 percent of the total. This is followed by iron and steel, non-electrical machinery, organic chemicals, ores, slag and ash, electrical machinery and parts, and articles made of iron and steel.

India used to have export sectors that were largely resource-based and labour-intensive. These sectors have given way to sectors that are based on metals and minerals and have a stronger manufacturing component. Goods such as petroleum and petroleum products, gems and jewellery, organic chemicals, electrical machinery, and iron and steel now dominate the two-way trade. The patterns of India's trade partners have also changed. China and South Korea are important trade destinations. This is followed by the United Arab Emirates, Saudi Arabia and South East Asia. There is a gap in so far as ASEAN does not yet figure prominently within India's trade patterns. There are two interrelated issues here. First, India has to identify those areas where it can engage with ASEAN in terms of trade. Second, India has to cooperate with ASEAN to build upon trade as a platform for investment. In this sense, trade will open up opportunities for investment.

It is of interest that India's trade with ASEAN, although not of a significant proportion to total trade, is growing. India's total imports from and exports to ASEAN have been growing since the year 2000. This has particularly been the case with Singapore, Malaysia, Indonesia and Thailand. The same cannot be said for the other ASEAN member-states, which are hardly significant trade partners for India. Imports from ASEAN has a proportion of total Indian imports have been rising. This is so with respect to Singapore, Malaysia, Indonesia, and Thailand. India's imports from ASEAN+5 have risen from about 19.8 per cent of its total imports in 2000 to about 27.5 per cent in 2012. Viewed from the ASEAN perspective, ASEAN+5's imports from India have risen from 0.7 per cent to 1.3 per cent of ASEAN+5's total imports from the World. Similarly, India's exports to ASEAN+5 have increased from 14.5 to 20.9 per cent. However, ASEAN+5's exports to India as a percentage of its total exports have increased from 0.9 per cent to 2.5 per cent, for the same reference period.

Clearly, while ASEAN+5 matters more and more to India, the reverse is not the case. India's exports to East Asia (i.e., China, South Korea and Japan)

have increased from 7.0 per cent to 8.6 per cent. It has remained stagnant with respect to Australia and New Zealand. The growth in India's exports to Indonesia, Malaysia, Singapore and Thailand has been more rapid, increasing from 5.3 per cent to 9.4 per cent. India's imports from East Asia have increased remarkably from 8.8 per cent to 15.9 per cent. While imports from Australia and New Zealand have remained stagnant, as have imports from Brunei, the imports from Indonesia, Malaysia, Singapore and Thailand have decreased from 8.2 per cent to 7.6 per cent.

There are several points that can be made from this broad pattern in trade trends. First, India's relevance to ASEAN has not been increasing in tandem with ASEAN's relevance to India. India is getting more reliant on ASEAN, but it has been slow to benefit from the gains that it can make by being the country of choice from which ASEAN can trade on a bigger basis with India. These are unutilised opportunities that India is yet to reap from ASEAN integration.

Second, there are strong indications that India is making some progress in its trade with Indonesia, Malaysia, Singapore and Thailand. Commendable as this progress is, more can be done. More than that, the trade that India enjoys with the CLMV countries is meagre at the moment and leaves much that can be mutually derived. It is worth noting that these countries are emerging economies, being at a relatively low level of development at the moment, which would place them in a situation whereby they can gain from trade with India.

Third, it is encouraging that there is evidence of India's increasing trade with East Asia, i.e., China, South Korea and Japan. However, India's exports to this block falls far short of its imports from these countries. Nevertheless, the strong trade ties indicate that a broader range of activities is possible in ASEAN via this group of countries. In this context, the RCEP is an important agreement that India can leverage upon.

The foreign direct investment (FDI) flows between India and ASEAN provides a further dimension to India's economic structure and indicates how it could interact with ASEAN in future. Singapore is the biggest contributor of FDI to India, followed by Japan. South Korea is a distant third in terms of FDI inflows into India, with Australia as a contender for fourth place. India, in turn, favours Singapore as an FDI destination. Similarly, Australia is second

in importance as a destination for Indian FDI, with Malaysia being the third most important destination. Combined with the trade data, it is clear that Singapore figures most prominently when it comes to both trade and investment. The FDI outflows from India to ASEAN are greater than FDI inflows from the region to India. It is very clear that the prospects for inter-regional FDI flows are great and have not been utilised. There is ample room for FDI cooperation between India and ASEAN, given that the flows of FDI between these two entities are at a rather low level in the case of most ASEAN member-states.

The areas for ASEAN FDI inflows into India that have yet to be fully explored include construction, telecommunications, hotel and tourism, manufacturing, electronics and electrical products, chemicals, automobiles, power and metallurgy. India, on its part, can contribute to ASEAN's development through FDI outflows in various segments of agriculture, financial services, business services, software, drugs and pharmaceuticals, and transport, storage and communication services.

As far as the area of infrastructure sector development is concerned, India has a huge demand in this area. Singapore and Malaysia have been able to cash in on the opportunities that this area provides within India. However, the possibilities are probably far larger than are currently exploited, with suggestions that the entire gamut ranging from power, petroleum and gas to ports, and air and sea transport present FDI opportunities for ASEAN member-states.

India's interest in engaging with ASEAN is clearly seen from the free trade agreement that it signed on 13 August 2009. However, that agreement dealt only with trade in goods. That agreement had its weakness in so far as it was the outcome of prolonged negotiations and did not show enough will to modernise Indian agriculture.¹ The India-ASEAN FTA of 2009 was a step for India in the direction of a stronger and more involved economic relationship with ASEAN. There are deeper levels at which India can interact with ASEAN, and trade in goods is a preliminary move.²

ASEAN does not figure in India's list of top ten sources of imports, with the exception of Indonesia. Indonesia's exports to India account for less than 3 per cent of the value of total imports. Again, ASEAN is largely absent from the list of top ten export destinations. Singapore does figure prominently in

so far as it is the third most important importer from India. But, it is the only ASEAN country that does so. It is to be noted that Singapore does fall among the top ten countries to which India exports. Even so, India's exports to Singapore constitute less than 5 percent of India's total export value.

An examination of the pattern of India's top export and import items casts some light on why ASEAN member-states do not assume a position of importance within India's scheme of trade. Part of this has to do with the pattern of India's top export and import items. Among India's top export items are petroleum products, gems and jewellery, pharmaceutical products, transport equipment and machinery and instruments. With the exception of pharmaceutical products, several ASEAN member-states have the capacity to produce these goods for their domestic sector and even to export them within ASEAN.³ While India may have an advantage in the export of cotton yarn and fabrics, the same cannot be said for readymade garments. As far as the latter is concerned, countries like Thailand have thriving industry. In the case of cotton yarn and fabrics, India would have a comparative advantage, but then ASEAN member-states have alternative sources of import, Bangladesh being an important one. There is no doubt that India is a global leader in gems and jewellery, however, this cannot constitute a huge amount of total trade with ASEAN states.

Regardless of the substitutability that exists, India has the capability to compete for ASEAN markets in petroleum products, pharmaceutical products and heavy machines and manufacturing. Although as far as light manufacturing is concerned, it might be more difficult to compete. However, some of India's top import items include, pearls and precious stones, petroleum crude, electronic goods, non-electrical machinery, and transport equipment. Many of these goods are produced in Malaysia, Singapore, Thailand and Myanmar, thus permitting trade between India and ASEAN.

A brief analysis would suggest that there is scope for India to export food items to ASEAN countries such as Brunei, Cambodia and Singapore. As far as iron and steel is concerned, it is in a position to export to almost all the ASEAN countries. With the exception of the Philippines, there are opportunities for trade between India and the rest of ASEAN in pharmaceutical products. However, countries such as Singapore, Malaysia, the Philippines and Thailand have greater comparative advantage than India in machinery and

transport equipment, suggesting that India can import from them. The same is the case with electronic data processing and office equipment.

Once again, it is obvious that there is ample scope for trade with ASEAN in many areas, particularly in those involving minerals and metals, as well as finished products. There is room for growth in sectors such as cotton and tea, although the same cannot be said for fish and apparel. In specific cases, such as coffee and automobiles, Vietnam and Thailand would be competitors to India. Nevertheless, joint-production is possible in the automobile industry involving parts and components. It is also worth noting that both Thailand and India host multinational automobile manufacturers.

India's services sector has one of the highest growth rates in the world. On the export front, the high rate of growth of the services sector in India has been able to compensate for the deficit in merchandise trade. In the 1990s, India's services sector grew at about 17 per cent, whilst the ICT sector alone has been known to grow at 46 per cent in the mid-1990s. Services exports from India have been vibrant, growing at about 40 per cent of total exports even in the early 2000s.

The Indian economy is heavily biased towards agriculture because of the population dispersion, with its tilt towards the rural areas and a strong smallholding and subsistence component within this sector. Agriculture is also able to generate employment and ensure livelihoods, yet the services sector is driving growth in India. Nevertheless, the services sector is assuming a larger role within the economy, propelling services-led export growth.

India has undertaken reforms in the services sector. This has been done significantly in the telecommunications sub-sector. Other sectors that have benefitted from reforms include financial services, infrastructure, power and transport. India has established a reputation in services relating to software, financial IT services, business process outsourcing, healthcare, and in professional services.

Against India's background, for ASEAN too, services form a sizeable component of its GDP. The services sector forms from 40 to 70 per cent of ASEAN's GDP, amounting to more than US\$ 400 billion. Further, the services sector composes about 14 per cent of ASEAN's total global exports and about 18 per cent of imports. The corresponding figures for India are about 34 per cent for exports and 30 per cent for imports. Taking into account the diversity

of ASEAN, it would be useful to note the divergence in the relative importance of the services sector to GDP. In Singapore, for example, the services sector constitutes something like 70 per cent of GDP, which would be the upper limit for ASEAN member-states. On the other hand, in Cambodia, services contribute about 40 per cent of GDP. This indicates the range of variation and it also indicates the potential for the services sector.

It also points out the potential for trade and investment in services and the options that are open for India's engagement with ASEAN and vice versa.⁴ India's export of services to ASEAN is concentrated in software and IT-enabled services (ITeS). To a lesser extent, India exports technical education, financial and healthcare services to ASEAN. Singapore and Malaysia, and to a varying degree Thailand, the Philippines and Indonesia have promoted the development of export-oriented services industries ranging from construction and engineering, to infrastructure development, at one end of the spectrum. Within the social services sectors, education and healthcare have been prominent. Singapore, Malaysia and Thailand have taken advantage of their respective medical tourism industries. Singapore, Malaysia and the Philippines have actively participated in business support services, with the first two countries having successfully found markets for telecommunication services in India. Indeed, Singapore, Malaysia and the Philippines have global markets for a wide range of services.

However, trade in services is likely to be contentious. Most ASEAN countries are highly protective of their services sector, this being particularly the case with professional services. The problem mostly lies with market access for the movement of natural persons (Mode 4), where the temporary movement of intra-corporate transferees is open for most ASEAN member-states. Nevertheless, this is an area which is of interest to India since it has a large pool of skilled labour that would benefit from the free flow of labour.

The asymmetrical interest in services will also be a source of conflict. This, again, will surface in the area of financial, banking and insurance services. India is likely to be slow to open these markets to ASEAN member-states. On the other hand, some of the more developed members would be keen on gaining access to the Indian market. Singapore and Malaysia, for instance, would like to see a more liberal policy with regard to the entry of foreign service providers in these areas. India is not likely to want to reciprocate on

an equal basis in these areas, neither would ASEAN. While some of the Malaysian banks (*viz.*, Maybank and CIMB) would want to extend their borders, Malaysia cannot be expected to open its markets in the near future.

India, for its part, would stand to gain much if it could export its professional services, particularly medical, para-medical, legal and accounting services. However, there is likely to be resistance from domestic organisations in ASEAN member-states. The fact that India may have a comparative advantage in these areas is not going to make it easier to gain access to the targeted markets. Notwithstanding the constraints, India should continue to seek opportunities, and continue to negotiate with respective member-states on a bilateral basis and also at the regional level.

ASEAN Economic Community (AEC) and ASEAN Centrality

The AEC was endorsed by ASEAN leaders at the Bali Summit in October 2003 as one of the three pillars of the ASEAN Community vision. In general, the AEC aims to integrate ASEAN into the global economy and create a single market and production base where goods, services, capital and labour flow freely, so that equitable development can be realised within the region. The successful construction of the AEC will have tremendous implications for investment flows into and within ASEAN by expanding the economies of scale and scope in the region. In 2007, ASEAN leaders agreed to push forward the AEC deadline to 2015 and approved the AEC Blueprint, which provides detailed outlines and commitments to achieve the unified market. The AEC Blueprint has four major components:

- (i) Single Market and Production Base.
- (ii) Competitive Economic Region.
- (iii) Equitable Economic Development.
- (iv) Integration into the Global Economy.

The AEC under the umbrella of achieving a single market seeks to achieve the free flow of goods including the elimination of tariffs and non-tariff barriers (NTBs), rules of origin harmonisation and rationalisation, trade facilitation, customs integration (including the ASEAN Single Window), and standards and technical barriers to trade (including mutual recognition arrangements, or MRAs). Trade in goods receives the most attention, in part because it includes areas relevant to the entire AEC project (such as customs and other

areas of trade facilitation). More problematic is the goal of achieving the free flow of services. It is hoped that this will be done through a progressive increase in sectoral coverage. Although there is a commitment to advance mutual recognition of professional qualifications, this will be challenging in practice. Finally, it is proposed that financial services liberalisation be attempted through an ASEAN-X formula.

Much of ASEAN depends on FDI for its growth and development. Thus, it stands to reason why the free flow of investment, particularly FDI, should be based on the process initiated by the ASEAN Investment Area (AIA). This will be done under the ASEAN Comprehensive Agreement on Investment (ACIA), with special emphasis on national treatment, investment facilitation and cooperation, and investment promotion.

In order that there be ASEAN capital market development there has to be freer capital movement and the development and homogenisation of capital market standards and practices. The comparability of a financial regulatory framework is necessary to facilitate cross-border transactions. It also envisions greater capital mobility and liberalisation, through an emphasis on orderly processes and guarantees of safeguards to maintain stability.

Finally, to promote FDI and trade in services it is necessary to have the free flow of skilled labour. This can be achieved through MRAs and concordance of skills and qualifications. However, the question of unskilled labour can be expected to occupy the agenda for some member-states.

The AEC will not be a reality without establishing a competitive economic region. This requires the establishment of a clear competition policy to ensure a level playing field in the integrated ASEAN market. There are challenges to this step of the process because not all member-states have put in place competition law and policy. It is only after national frameworks are accomplished that it is possible to envisage an ASEAN wide competition framework. Part of the process of creating a competitive region necessitates infrastructure development so as to improve transport links and enhance regional infrastructure. Other concerns would be to put in place sectoral cooperation in energy and mining to create stable supplies and enhance energy efficiency.

The third pillar of the AEC centres around creating equitable economic development. This demands the narrowing of development gaps, a point that

requires urgent action bearing in mind the widely differing levels of development with Singapore at one end of the spectrum and the CLMV countries at the other end. Towards achieving this goal, AEC has set itself the objective of fostering SME development in ASEAN, with an emphasis on taking advantage of ASEAN's diversity. The goals of the Initiative for ASEAN Integration which was launched in 2000 have been enhanced with the intention of narrowing development gaps between older ASEAN-6 members and the newer ASEAN members (CLMV).

The fourth and perhaps the most important pillar of AEC is the goal of ASEAN's integration into the global economy. This goal requires ASEAN to work toward 'ASEAN Centrality' in external foreign economic relations. In this sense, ASEAN is to work actively in areas such as free trade agreements and other preferential arrangements with non-partners. A strategic area in which ASEAN will have to participate so as to consolidate its centrality is to enhance its participation in global supply networks and to adopt best international practices and standards.

The AEC Blueprint provides a comprehensive framework to increase investment because it contains many mutually reinforcing measures that will improve the investment climate of individual countries as well as the region as a whole. For example, sectoral cooperation will allow resource-rich but ill-equipped countries to learn and absorb technology from more developed members, increasing both its human and capital stock. A single market and production base will allow for more efficient allocation of resources via the phasing out of uncompetitive firms and better flow of information, and also increase potential economies of scale through a bigger market.

The study by Aldaba and Yap (2009) is useful in identifying the impacts of FDI flows. First, they underscore the importance of ACIA.⁵ This is a more comprehensive agreement to foster investment than previous agreements. It provides a wide range of investment provisions on investment liberalisation, most favoured-nation status, national treatment, and investment protection, promotion and facilitation. With the initiatives to lift foreign ownership restrictions, sector restrictions and performance requirements it can be expected that there will be an increase in FDI. Also, deeper integration features, such as the legislation and harmonisation of standards, competition and custom laws, intellectual property rights and dispute settlement mechanisms, will improve the region's investment climate, particularly in services.

Second, the establishment of AEC and the improvement of trade flows will significantly raise the level of vertical FDI in the region. This is because the development of complex networks due to the fragmentation of production and trade in parts and components will dominate intra-regional trade and investment. Third, a larger market will prove more attractive for foreign MNCs. The effect of regional integration through AEC will create a larger market, which will attract MNCs to invest in the region. It can be expected that regional integration may affect FDI by generating growth, although the causation for the positive relationship between FDI and economic growth is uncertain.

Finally, Aldaba and Yap (2009) draw on evidence from elsewhere to show that regional agreements tend to have a positive impact on FDI. They point out that the EU, NAFTA and Mercosur have had a positive impact on FDI inflows and indeed that economic integration in these regions promoted investment.

The AEC blueprint is meant to and will encourage the integration of ASEAN. It is comprehensive and it has disciplines that will encourage member-states to show progress in key areas. However, there are challenges. These are of a political nature arising from vested interests and fear of competition. The main problem, however, is the fact that ASEAN member-states come from diverse levels of economic development and there are historical factors, territorial disputes and misunderstandings that sometimes hinder cooperation.

Despite the shortcomings, it is important to realise that top-down initiatives such as the AEC encourage a bottom-up integration processes, which will allow the region to emerge increasingly like a single market over time. Indeed, as far as the private sector is concerned they are always interested in investment; and will welcome a more closely interlinked ASEAN. They have realised the need to provide support to the AEC's ambitious plans in order to tap into the value of economic integration.

As Bhaskaran (2011) points out, even companies outside ASEAN have started to take notice of ASEAN as an integrated region.⁶ He cites the example of Shin Shin-Etsu Chemical, Japan's largest chemical producer, which has invested US\$ 64 million to build two chemical plants in Vietnam with the hope of serving a large base of customers in the region. Air Asia is working toward its goal of a single ASEAN aviation authority by setting up an office in Jakarta to engage with the ASEAN Secretariat. CEOs from major private

sector companies like CIMB Bank, Bangkok Bank, Air Asia and the Ayala Group have jointly launched the ASEAN Business Club (ABC) in order to engage in ASEAN community building efforts. The advantage of regional integrations is seen, for example, in Singaporean and Malaysian banks and telecommunication firms have invested heavily in the region. Siam Cement is gearing up to invest 75 per cent of its 2012–16 investment fund to acquire assets in ASEAN countries.

The notion of ASEAN centrality can evoke a sense of anxiety among Indian policy makers because it implicitly suggests: a) India will be dominated by ASEAN's centrality, b) India will lose any claim to centrality that it proposes to exhibit within the region (Asia), or c) India will be at the periphery of ASEAN's economic activities. However, none of these claims is well founded.

To begin with the notion of centrality implies that the connecting concern that binds all the member-states is the sense of belonging to ASEAN. This is an extension of the concept of an ASEAN community. ASEAN centrality, thus, implies that this notion of an ASEAN identity will be central to the region. By extension, the regional identity and the interests of the region will be central to member-states. ASEAN centrality can also mean that ASEAN, by being forged through a common bond, will assume a centrality that gives weight to the grouping and allows it to negotiate and bargain with other regional entities. With this definition of ASEAN centrality in mind, none of the above three claims have any credence. In fact, a strong ASEAN will be to India's advantage since India will benefit more from a grouping that is able to extend more economic benefits to India. Trading with an economically vibrant grouping will be favourable to India.

An integrated ASEAN will make it easier for India to do business more efficiently with the region. A more liberalised and better integrated region will permit the easier flow of goods and services across member-states in the region. This will make it more profitable for Indian companies to be based in any of the ASEAN member-states. In that regard, it will serve India well if the AEC agenda comes to fruition since this will facilitate India's trade and investment with ASEAN.

Conclusion

There is considerable potential for India to benefit from its engagement with

ASEAN. At the level of trade in goods, there are complementarities that can be leveraged upon. This is not to say that there are no challenges. There are many areas where India will face stiff competition from ASEAN member-states. Nevertheless, there are areas, particularly in the services sectors, which India can take advantage of. Trade in services is a broad area that will be of interest to India. For Indian companies to gain entry into this market, it will be necessary to negotiate with ASEAN member-states.

Indeed, AEC can open doors for India. The RCEP is a mechanism that will help to ease the way for more trade and investment between India and ASEAN. There are many opportunities that India can conceivably take advantage of, and this will depend on whether one is talking of the original ASEAN members or the ASEAN-5.

AEC and the RCEP agreements, once concluded, will make it easier for Indian companies to gain entry into the region. Given the large market that this region presents, it will be a great opportunity for Indian business. By the same token, the Indian market will have to be opened up for ASEAN business to take advantage of the Indian market and the burgeoning Indian middle class. Further, India will be able to leverage on ASEAN centrality since ASEAN will be poised to be a global player once it achieves economic integration.

NOTES

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ASEAN-India Economic Partnership: Perspectives for Shaping the Post-2015 Agenda

Suthiphand Chirathivat and Anupama D. Masali

The geographical position of South East Asia or ASEAN, as we usually call it these days, and South Asia, where India is centrally located, is only separated by the waters of Indian Ocean and Bay of Bengal and connected on land through North East India, Bangladesh and Myanmar. Dating long back into history, there were, in between these geographical features, rich flows of all sorts ranging from religion, culture, down to people and trade. Of course, these relationships had not always gone smoothly, there were also ups and downs. Only the renewed interest for closer linkages between the two regions are recently back again, particularly since India joined ASEAN as a full dialogue partner in the mid-1990s. India also had matched with its own Look East Policy which was rephrased as Act East Policy in 2014, under the leadership of Prime Minister Narendra Modi.

But when one thinks about prospects of ASEAN-India economic partnership, one does usually think only of a potential gradual progress of exchanges between them, upon which the gaps and perceptions of many are usually reflected on both sides. With the exception of Singapore, all the countries involved are still considered as developing economies. And that prevents one from visualizing the potential that might be realised on their future economic linkages. There is of course huge potential for increasing trade and economic interdependence, development of regional production networks and value chains, broadening new frontiers, which include among others

people-to-people exchanges, large to small business and technology cooperation, and physical and institutional connectivity. During more than two decades of ASEAN-India partnership, before being upgraded more recently to the ASEAN-India Strategic Partnership, the economic landscape has undergone major changes in the region. ASEAN and India are now being considered as major emerging economies.

At the policy level, ASEAN finally had Myanmar fully being part of the ASEAN regional integration process with the successful organisation of the 25th ASEAN Summit in November 2014, and the Nay Pyi Taw declaration on the ASEAN Community's Post-2015 Vision. India on the other hand, continues to surprise many with its latest change in political and economic landscape with potential for economic growth and societal wealth creation that will give a further opportunity to the Indian people and its outreach to the outside world that includes ASEAN. The latest challenge for ASEAN-India partnership, as expressed in the 12th ASEAN-India Summit, last November 2014, is the implementation of the ASEAN-India Plan of Action, 2016–21, to serve as an action-oriented initiative to further deepen the ASEAN-India Strategic Partnership.

This paper aims to explore the issues of economic interdependence between ASEAN and India, in Section 2 that include potential intra-industry trade development, intra-regional investment, trade and investment barriers and agreements, and, finally, regional production networks and value chains. This background would help in understanding of Section 3 which aims to elaborate on the new developments with regard to the ASEAN-India connectivity, particularly the physical one as a result of the recent changes in Myanmar that offer new opportunities for both sides. It will also discuss the issues of potential cooperation by taking the energy sector as an example, as has already been expressed in the latest 12th ASEAN-India Summit about the importance of promoting energy cooperation and energy security.

Integrating Regional Production Networks and Value Chains

Globalisation's first unbundling led production to cluster locally in factories and industries. The second unbundling led centres of production to disperse geographically. The first unbundling reduced transportation costs and introduced coordination costs. The second unbundling reduced the

coordination costs. Such reduction was made possible by the ICT revolution and was motivated by wage differences across the international borders. After the ICT revolution in the 1990s, most of international sourcing shifted to Asia (South industrialisation and North de-industrialisation).¹ Thus, Asian economies became active participants in the global supply chains (GSCs) (Baldwin 2013).

Unlike the first unbundling, one of the prominent features of the second unbundling is ‘the trade-investment-services-IP nexus’² which characterises 21st century trade. The nexus goes beyond trade in parts and components and further adds international investment in various productions aspects, use of infrastructure services to coordinate complex production, and cross-border flows of know-how (Baldwin, 2011a).

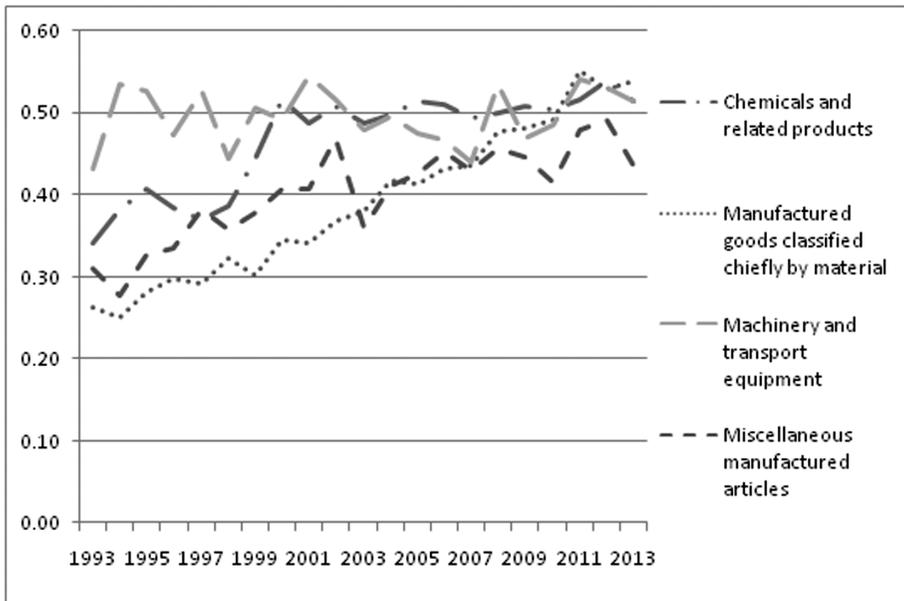
In the context of Asian regional production network, the Asian economies vary in terms of their degree of participation. Leading ASEAN members such as Singapore, Malaysia, Indonesia, Thailand, and Philippines are the major players and contributors to intra-regional trade in the Asia-Pacific Region. In 2011, percentage of their contribution to the intraregional trade ranged from 63, 67.2, 71.6, 63.3 and 63.5,³ of their GDP respectively. However, India’s share, on a relative basis, was low, that is, 34.8 per cent. These numbers indicate the degree of regional integration in the region and the ample scope for India’s active participation.

At present, ASEAN-India regional economic engagements are far from realising the potential due to the missing or inadequate emphasis on the components of ‘the trade-investment-services-IP nexus’ which are examined below.

Intra-Industry Trade

Over the past 21 years, on an average, India’s intra-industry trade (IIT) with ASEAN-6 in overall manufacturing increased at a compound annual growth rate (CAGR) of 2.01 per cent (see Figure 1). However, the CAGR within the sectors differed, that is, product code 5 Chemicals and related products—2.07 per cent, product code 6 manufactured goods classified chiefly by material—3.65 per cent, product code 7 machinery and transport equipment—0.87 per cent and product code 8 miscellaneous manufactured articles—1.71 per cent.

Figure 1: CAGR* of India's IIT in Manufacturing (SITC Revision 3, 3-digit level) with Asean-6** (1993-2013)



*CAGR—Compound Annual Growth Rate **ASEAN 6 includes Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam Source: Author's calculations.

IIT in product code 7, comprising machinery and transport equipment, where higher degree of IIT is likely,⁴ with ASEAN-6 did increase at a relatively lower rate. An explanation could be better linkages of Indian auto-components and electronics industry with European and North-American MNCs than with Asian MNCs; a major reason is the higher flexibility in doing business, because Asian MNCs usually do not allow their local partners to supply the same products to firms outside their production networks (Sen and Srivastava 2011).

Moreover, when compared to the developed countries and active Asian production network participants, India's proportion of IIT is small. Though over time, India's IIT has increased, there is no set pattern to it. A suggested reason is low manufactured exports resulting from the strong demand in domestic market (Das, G.G. 2005).

Trade Facilitation—Current Status

Trade facilitation harmonises and eases trade flows between states but the coordination between complex stages of production sharing is inadequate in

the ASEAN-India context. In a comparative analysis of trade facilitation provisions in ASEAN and ASEAN+1 FTAs (Wong and Pellan, 2012) have found that the coverage of trade facilitation provisions in the ASEAN-India Agreement on Trade in Goods (AI-TIGA) is 'fairly general.' The provisions are said to be 'broadly formulated and aspirational and do not commit parties to undertake concrete action or to achieve specific targets or goals.'

Non-Tariff Measures

ASEAN-India Free Trade Agreement (AIFTA) in goods, signed in 2009 and in effect since January 2010, has facilitated successive reduction in tariffs on goods trade between ASEAN members and India. The post-AIFTA (2010-12) average annual trade growth rate is 24 per cent, whereas the pre-AIFTA (2007-09) growth figure stood at 14 per cent.⁵ However, non-tariff measures (NTMs) continue to restrict trade and are attracting policy attention as reflected by the major concerns raised on both the sides, at policy level⁶ and among business groups.⁷

From an economic perspective, in 2010, comprehensive trade costs (CFCs)⁸ excluding tariff costs⁹ of trading goods between ASEAN-6¹⁰ and India, on an average, involved additional costs of approximately 83 per cent of the value of goods as compared to when they traded within their borders. This is consistent with the Duval and Utoktham (2010) finding that tariffs only account for a tiny portion of overall trade costs. Similarly, in 2011, comprehensive trade costs excluding tariff costs of trading in manufactured goods, on an average, involved additional costs of approximately 83.2 per cent of the value of goods traded bilaterally. In case of trading in agricultural goods the figure stood 74.6 per cent. From a policy perspective, taking note of the frequent references made and concerns raised by ASEAN members and India about the non-tariff barriers, the need to devise strategies to tackle the non-tariff measures is critical. With the ASEAN-India FTA in place, further coverage of non-tariff aspects would deepen the economic integration.

The ASEAN-India Free Trade Agreement covers limited non-tariff aspects (AFTIAD).¹¹ Deeper integration takes place with the expansion of coverage of policies. Substantial reduction or elimination of import tariffs will not automatically result in reaching the trade potential unless the NTMs or 'behind the border measures' that are becoming significant are addressed (Dhar, B. 2012).

Challenges for the Post-2015 Agenda: Infrastructure, Connectivity and Energy

It would be worthwhile to look at some of the issues covered in the Nay Pyi Taw Declaration on the ASEAN Community's Post-2015 Vision, on 12 November 2014; particularly, part of consolidated central elements related to the ASEAN Economic Community on infrastructure, connectivity and energy. These were: 'Promote wider Asia connectivity through ASEAN and sub-regional cooperation and projects to achieve greater infrastructure connectivity supported by strong institutional and people-to-people connectivity and movement of skilled people and talents. Create a more dynamic and resilient ASEAN capable of responding and adjusting to emerging challenges, including robust national and regional mechanisms to address issues related to food security, energy security, natural disasters and other economic shocks...Maintain ASEAN's role as the centre and facilitator of economic integration in the East Asian region to reinforce ASEAN centrality in the emerging regional economic architecture...'

The following passages were reemphasised in the Chairman's Statement of the 12th ASEAN-India Summit on 12 November 2014:

'...important role of the ASEAN-India Centre...to facilitate the implementation of ASEAN-India activities and projects, including research, connectivity and promoting people-to-people linkages...'

'...appreciation for India's support for the Master Plan on ASEAN Connectivity (MPAC) and... the importance of building physical, institutional and people-to-people connectivity between ASEAN and India...The MPAC requires close cooperation and coordination among ASEAN member-states, Dialogue Partners, development agencies and international organisations at the regional, sub-regional and international levels.... ASEAN Leaders welcomed India's proposed special facility for easing project financing on connectivity that would further contribute towards narrowing the development gap in ASEAN.'

'To enhance ASEAN-India connectivity, ...bridges of knowledge and skills, entrepreneurship and vocational training, travel, trade and investment should be further strengthened...the relevance of connecting minds by using the foundations of shared civilisational heritage, present priorities and future ambitions of the people in the ASEAN-India region'.

'...the importance of promoting energy cooperation and energy

security...on the urgent need for effective initiatives on sustainable use in energy resources through exchanging best policies and practices, transferring technology and promoting Corporate Social Responsibility...promote the ASEAN-India New and Renewable Energy Initiative’.

For sure, these statements of both the ASEAN Community’s Post-2015 Vision and the 12th ASEAN-India Summit reflect the importance ASEAN and India attached to MPAC within and beyond the region.

Infrastructure and Connectivity

In order to understand the importance of infrastructure and connectivity for ASEAN and then for India, one has to understand on how closer interdependence is important for ASEAN economies to benefit from demand-supply relationships in production and distribution networks and knowledge transfers, particularly from North East Asian economies, i.e., Japan, the Republic of Korea, Taipei, and more recently Peoples’ Republic of China, which continue to manifest their interests in enhancing ASEAN’s productive capacity in various products and technological improvements. ASEAN’s participation in regional production networks and supply chains, including through service exports, particularly the more advanced ones, like Singapore, Malaysia, and Thailand, and more recently expanded to Indonesia, the Philippines and Vietnam, helps create strong and competitive outward-oriented sectors with improving significant opportunities for local SMEs’ internationalisation (Capannelli (2014): 17).

As such, challenges remain for more developed ASEAN economies to spreading such production network linkages to less developed ASEAN members, namely, Cambodia, Lao PDR, and Myanmar, in the near future as a way to involve them in an integrating the region and to narrowing development gaps among them as well. Obviously, more than half of the ASEAN total exports in value-added terms are now related to global production networks and value chains. Without such a trend, it will be difficult for ASEAN to become an integrated and highly cohesive economy, as well as to remain a competitive, innovative and dynamic ASEAN (Nay Pyi Taw Declaration, 2014)).

The global value chains and production networks offer an opportunity to ASEAN in the world economy. ASEAN’s participation at lower costs is

becoming important to improve productivity enhancements through technology and knowledge transfers. By improving infrastructure and connectivity across the region, ASEAN economies, as a whole, can substantially reduce logistics costs with a view to greater global value chains participation and experiencing higher economic growth, and that will encourage them to develop commonality with regional hubs for sectors like travel, transportation, logistic services, health, education and more.

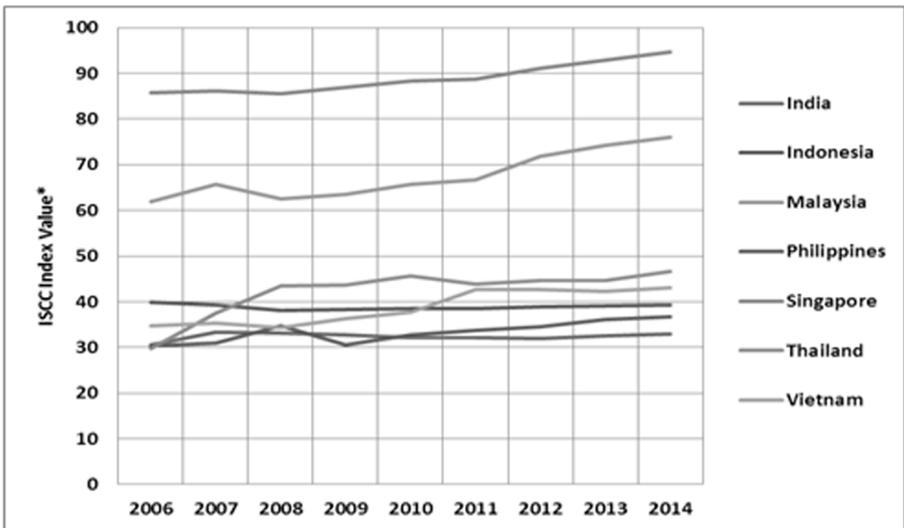
Ultimately, the adoption of MPAC was a major step and guide to a better connectivity in the region. For instance, the MPAC has been progressively implementing various projects related to infrastructure and increasing needs for it in the region. By ADB estimates, ASEAN will need almost a hundred billion US dollars investment in public infrastructure per year between 2010 and 2020. It has, by product, stimulated interests among various dialogue partners, particularly China, Japan, the Republic of Korea, and India. For mainland South East Asia, which is linked to many other countries in Asia by land, the challenge lies in crossing borders. So the focus is also important on border procedures, regulatory reforms and multi-layered regional frameworks on ASEAN connectivity and beyond.

India which is also trying to improve its own infrastructure and connectivity, recognising the importance of MPAC, has been very active in pushing forward the ASEAN-India connectivity agenda. It was obvious to see how India is committed to link geographically to mainland South East Asia, even though, it had its own version of Look East Policy. ASEAN has made the links more visible, for instance, for land transportation and maritime routes in addition to the traditional Malacca Straits, via Singapore. The ASEAN-India Car Rally, 2012, proved that one could drive from New Delhi to Indonesia via mainland South East Asia indicating the possible connectivity of India to ASEAN.

For this reason, links between ASEAN and India, are not just through traditional modes of connectivity, but also through thinking about new land, maritime, and air routes. As of now, individual ASEAN member countries and India vary in terms of international supply chain logistics performance (see Figure 2). ISCC is based on the trading across border (TAB) indicators from the World Bank Doing Business Report and the Liner Shipping Connectivity Index (LSCI) of UNCTAD. The index provides an overall

performance score for a particular country based on its performance in terms of (a) TAB underlying import indicators (i.e., number of documents, time and cost involved in import); (b) TAB underlying export indicators (i.e., number of documents, time and cost involved in export); and (c) the UNCTAD LSCI score (UNESCAP Database). In Figure 1, Singapore and Malaysia exhibit higher scores and have shown improvement over the last eight years. Indonesia, Philippines, Thailand, Vietnam and India underperform and improvement registered (excluding Thailand) during 2008–14 is insignificant.

Figure 2: International Supply Chain Connectivity Index



*ISCC index measures the quality of supply chain connectivity of a country—the higher the value, the better the connectivity. Source: UNESCAP ISCC Database

India had made attempts towards strengthening connectivity with ASEAN in the past decade for getting closer to the region. ASEAN's strategic location between South Asia and North East Asia offers the group an immense opportunity to serve as a natural land bridge between them, particularly between the two most sizable markets, China and India. Such a role has been clear since recent changes which occurred in Myanmar that led to the opening up of the country and deep political and economic reforms that took place, including the ways to enhance regional connectivity.

Dawei Development Project

With regard to potential linkages between mainland South East Asia, particularly through Myanmar and Thailand, and coastal areas of East India, like Chennai and possibly Kolkata, an opening of possible accessible route to Andaman Sea by building proper infrastructure should be a good thing to happen. This is to bring at least mainland South East Asia and India together in a reshaping the economic geography of global value chains and production networks. For this reason, Dawei, on the coastal side of Myanmar, was first proposed, as a possible gateway for this access by a Thai conglomerate, ITD, in a joint effort with the Myanmar Port Authority. The project, if realised, is consistent with the idea of development of economic corridors, aiming at linking Dawei in Myanmar to Bangkok and Eastern Seaboard in Thailand, down to Phnom Penh and Sihanoukville in Cambodia and Ho Chi Minh City and Mekong peninsula in Vietnam.

However, the project itself is facing a lot of challenges since its beginning. By nature of its huge size of development of seaport and industrial areas, the project requires huge financial capital to execute all necessary industrial projects, which represent a sort of the supply side of the infrastructure to be matched with proper demand. For instance, the first phase of the megaproject will cover 17,000 rai of land or about 27 sq km at a cost of 20 billion baht. According to ITD representative (Bangkok Post, March 3, 2015), the investment budget will be for infrastructure systems such as a small deep-sea port, an electricity power plant, LNG terminal, reservoirs and a road that will lead to the first phase.

The first phase of the special economic zone (SEZ) is expected to be completed in 2017, after which project authorities are due to start selling land to investors interested in the project. The megaproject is, of course, planned to facilitate businesses and companies wanting to invest and use raw materials and intermediate inputs from mainland South East Asia, particularly, Myanmar and Thailand, to process within their needs of value chains and production networks. From developers' point of view, the first phase will be suitable for light industries such as food processing, agricultural industry, and textiles and garments.

After the difficulties facing the ITD, Myanmar and Thailand were moving in and agreed in June 2013 to set up Dawei SEZ Development Co (DSEZ)

with an equal shareholding and initial investment of 12 million baht. DSEZ replaced ITD and, as a result, with the new structure called the special-purpose vehicle (SPV) that will manage the deep-sea port and SEZ. More recently, Japan expressed special interest to participate in the project in terms of both technical and financial support. Under SPV, Myanmar and Thailand also agreed to manage port, road and rail links, power plants, waterworks, industrial estates, telecommunications and townships development. Japan recently signed an agreement to provide loans to finance the construction of a 138 km road running from Phu Nam Ron checkpoint in Kanchanaburi province with Dawei (Bangkok Post, March 3, 2015).

Myanmar in the Middle of India-Mainland South East Asia Road Connectivity

Myanmar is undeniably placed in a strategic location to link South and South East Asian regions. For mainland South East Asia to connect with India, particularly North East, the engagement of Myanmar is the key to success. Myanmar, together with India and Thailand, has agreed to construct a highway from Moreh in India to Mae Sot in Thailand, known as the India-Myanmar-Thailand Trilateral Highway project.

Looking from Thailand's perspective, its trade with North East India is practically difficult to assess, despite the fact that Mae Sot, in Tak province of Thailand, caters for more than half of Thailand's border trade with Myanmar. Indeed, Thailand's trade with Myanmar is expanding at the rate of 10 per cent per year in the past few years due to the changes taking place in Myanmar that have helped Thailand to export more of its products for the increasing needs of Myanmar be it consumer goods, construction material, and intermediate products needed to process production. No wonder Thai policymakers have upgraded the importance of border towns which trade with neighbouring countries, including Mae Sot, to be special economic zones, by relaxing rules and regulations, trade facilitation, custom procedures, and taxation.

More recently, Thailand and Myanmar agreed to build the border check points at Mae Sot and Myawaddy to facilitate increasing economic activities and exchanges, with a new highway also under construction, in addition to the congested present checkpoint which has difficulties in handling these trade linkages. For this reason, it is again important for Myanmar, Thailand and

other mainland South East Asian countries to explore the opportunity of linking to North East India considering the new developments and changes that are taking place in North East India, Myanmar and Thailand road connectivity. The India-Myanmar-Thailand Trilateral Highway project should reshape the economic geography that links these sub-regions altogether.

Energy Security and Cooperation

For energy security and cooperation, ASEAN-India Partnership for Peace, Progress and Shared Prosperity Agreement, concluded at the Vientiane Summit in November 2004, was the first official attempt to consolidate India's relations with the South East Asian countries with an Action Plan containing a package of multi-sector areas of cooperation, including energy, between the two parties. By committing to such an agreement, India has agreed to integrate itself into the ASEAN system, considered as a far-reaching commitment (RAO (2008): 12). The energy sector is seen as an important area of mutual engagement and it has devised broad strategies to promote oil and gas cooperation, including joint exploration in the region, joint ventures for exploration in the third countries, ASEAN-India gas grid; ASEAN-India Association of oil and gas companies, and exchange of experiences in non-conventional energy.

India is already involved in the oil and gas sector of Myanmar, Malaysia, Vietnam and Indonesia. In Myanmar, India is actively engaged in joint exploration of gas with blocs off the Rakhine coast. With Vietnam, it is in the field of nuclear energy that India has developed a close collaboration in research. Meanwhile India also imports crude petroleum from Malaysia with a contract with the Malaysian Petronas. India has also a working relationship to explore and buy oil and gas from Indonesian oil company, Pertamina, as well as to modernise refineries in the archipelago. With increased involvement of Indian private oil and gas companies in ASEAN, it is undeniable that ASEAN-India energy cooperation and energy security is indeed a subject of importance to both sides.

ASEAN is facing its own energy challenge, with primary demand for energy set to grow steadily at 4.4 per cent per year up to 2030 due to increased economic activity, population growth, rising electrification rates, and expansion of the transport sector (AEMI (2015)). The implication is that energy demand will double by 2030 as demand for all hydrocarbons is set to expand: oil by

50 per cent; natural gas by 80 per cent; and coal by 300 per cent. According to ADB, even with the best scenarios for energy efficiency and renewable energy, ASEAN energy production cannot meet the increased demand. Following such a trend, ASEAN's environmental sustainability is set to decline (AEMI (2015)).

It is imperative for ASEAN to address these energy challenges with ASEAN's own energy market integration. International organisations such as ADB and IEA recognise that the creation of an efficient ASEAN-level regional energy market is a major challenge as it requires harmonisation of energy pricing and subsidies for energy products and services, rationalisation of tariffs and non-tariff barriers, expansion of market connectivity through gas pipelines and power grids, and formulation of a common strategy for energy security. Moreover, for the integrated ASEAN energy market to be socially equitable and environmentally sustainable, ASEAN members need to agree on common policies to deploy renewable energy, enhance energy efficiency, and secure access to clean energy sources (AEMI 2015). For this, ASEAN is working toward the succession of the current ASEAN Plan of Action for Energy Cooperation (APAEC 2010-2015), to move from regional energy 'cooperation' into energy 'integration,' to take the energy dialogue beyond the current bilateral trading arrangements into fully integrated energy policies with the AEC 2015 and beyond.

It is in this spirit, perhaps, that there is much talk about a new path of ASEAN-India energy cooperation and energy security, which should try to address the new concerns of ASEAN as it will move to a new phase of energy market integration. In the meantime, it is also important for ASEAN to look at changes that are taking place inside India and the challenges that India might face in all areas of energy, both demand and supply, and the way in which India seeks to overcome these challenges, which could serve as lessons learnt for ASEAN, particularly the sustainability aspect in which India has so far done quite well. For a true understanding between both sides to develop the future agenda in this area, the ASEAN-India Summit has in part already identified a few important areas for a future Plan of Action. It remains important that implementation process be worked out to implement what ASEAN-India feel most in common to foster, i.e., ASEAN-India energy cooperation and energy security in the near future.

Conclusion

In order to benefit from the increasing opportunities created by the emergence of economic interdependence within and outside the region, ASEAN and India need to adopt a clear strategic partnership based on the recent development of global value chains and production networks. The key policy challenge is to lay emphasis on non-tariff barriers, trade facilitation and infrastructure services that support and sustain the regional production networks. As of now, the ASEAN-India FTA is not deep enough to support and facilitate active participation in regional production networks. Therefore, the coverage of areas/provisions under the FTA needs to be expanded.

ASEAN and India so far have recognised the importance of connectivity as indicated in various instances of policy debate and government agencies need to tackle the issues related to it. Moreover, differences in the stages of development within ASEAN and India will also create gaps in the implementation of connectivity projects and removal of bottlenecks that need to be coordinated among parties and countries involved. In the case of ASEAN-India, there is a real need to consider a new phase of road, sea and air connectivity.

The Dawei megaproject and India-Myanmar-Thailand Trilateral Highway project are some of the most important issues that need to be tackled from these perspectives. ASEAN and India have to take this challenge more seriously, thus including the aspects of coordination between regional agencies as well as national and local governments down to strengthening public-private partnership (PPP).

As far as partnership related to energy cooperation and energy security is concerned, the use of a regional and sub-regional approach has to take into consideration the ongoing developments on both sides. ASEAN has planned to renew its new Plan of Action for 2016–20, with a view to creating a higher energy market integration. India, on the other hand, has entered into energy cooperation with ASEAN, now for more than a decade while the Indian private companies have also been active in joint production and sale with ASEAN. It is interesting to develop a new design of bilateral partnerships in this area of energy cooperation and energy security with an aim that could serve well the needs of society and people at a more sustainable level.

NOTES

1. One of the top-line facts of the second unbundling (Baldwin, 2013).
2. Concept that defines 21st century trade Baldwin (2011a).
3. Asia-Pacific Trade and Investment Report, 2011, UNESCAP.
4. The 21st century trade is concentrated in relatively few sectors led by electrical machinery and electronics since the 1990s (Baldwin, 2013).
5. ARIC Database, ADB.
6. "Malaysia says non-tariff barriers hinder Asean-India trade ties, *The Hindu Business Line*, 31 August 2014.
7. Non-tariff barriers in Asean making Indian products uncompetitive: FICCI, *The Economic Times*, 25 September 2011.
8. CFCs refer to all costs involved in trading goods internationally with another partner (i.e., bilaterally) relative to those involved in trading goods domestically (i.e., intranationally).
9. CFCs excluding tariffs encompasses all additional costs other than tariff costs involved in trading goods bilaterally rather than domestically.
10. ASEAN 6 comprises Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam.
11. Asia-Pacific Trade and Investment Database.

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Act East Policy and ASEAN-India Connectivity

*Prabir De**

Introduction

Two decades have passed since India initiated the Look East Policy (LEP) as an effort to strengthen economic and strategic relations with South East and East Asian countries. While India's footprint in South East and East Asia has increased considerably over the past two decades or so, overall performance has been rather mixed. Trade between India and South East and East Asia has increased amid a strong presence of physical and non-physical barriers. Investment flow has not picked up the required pace. Cooperation on the non-economic front has continued to lag equally. Above all, weak connectivity of India's North East with the rest of India and neighbouring countries has remained a serious constraint to India's engagement with the East. Reengaging with East has, therefore, become necessary. The recently unveiled Act East Policy (AEP) is an effort to intensify India's engagement with South East and East Asia. India's proactive role in building a common market with an ambitious but realistic connectivity programme is the key focus of AEP.

Since middle of the last decade, India's regional connectivity with South East Asia has been following two major tracks: soft connectivity such as Trilateral Transit Transport Agreement—and hard connectivity such as Trilateral Highway (TH), Mekong–India Economic Corridor (MIEC), etc. While the first may lead to paperless trade, the second one may help facilitate seamless

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trade.¹ India's connectivity with South East Asia has been evolving primarily on two structures: national connectivity, such as the Golden Quadrilateral (GQ) project, the Delhi–Mumbai Industrial Corridor (DMIC), and the Dedicated Freight Corridor (DFC); and regional connectivity, such as the Trilateral Highway and MIEC. India's regional connectivity with South East Asia has been evolving on two pillars: North East India for multimodal and intermodal operations and Southern India for multimodal operations. India's connectivity with South East Asia, although at present at an initial stage of development, may appear as a great facilitator of pan-Asian integration in coming years (Bhattacharyay et al. 2012).

In view of the above, this paper discusses the emerging connectivity scenario between ASEAN and India. In particular, this paper presents India's broad proposals on connectivity projects with South East Asia in the backdrop of AEP, and policy recommendations to strengthen connectivity between India and South East Asia.

Act East Policy: Focus Connectivity

Connectivity is important, but converting the connectivity corridor into economic corridor is the main challenge for India. The newly launched AEP outlines an ambitious plan for building economic corridors, linking India with South East Asia (and also China). For example, the Government of India has been working with ASEAN to enhance physical connectivity via the India's North East and India's Eastern seaboard. The India-Myanmar-Thailand Trilateral Highway, which is under implementation would dramatically reduce travel time across borders and would open up numerous cross-border opportunities for trade and investment. Industrial clusters located along the connectivity corridor could emerge as economic nodes.²

More business dimensions have been gradually added in the connectivity driven integration through the AEP. For example, Manipur government is planning to build a township very close to the Moreh border (with Myanmar). The food park has been set-up on the outskirts of Imphal city and an SEZ is coming up at Thoubal which, once completed, could become a major processing centre for fruits, pulses and other agricultural products.

SMEs drive the business—within and across borders. In earlier period, there was no effort to engage SMEs in India-ASEAN integration activities.

Under AEP, special focus has been given on SMEs, which can build effective business networks across borders. To support the financing of projects, India has announced creation of a Special Facility for project financing and quick implementation of connectivity projects with ASEAN. The SPV seeks to provide a framework whereby Indian industry could receive government support for investments in the connectivity projects with the ASEAN region, including the building of back-end linkages in India's North East and along the Eastern coast to create a symbiotic market model of economic development in the region. The Special Facility would have provision of US\$ 1 billion over a 10 year period, and seek to catalyse investment to the tune of US\$ 10 billion from the Indian private sector over the same period. This initiative is expected to provide a fillip to trade and investment as well as integrating our producers and manufacturers in regional value chains.

ASEAN Centrality

With South East Asia, India has signed several bilateral and regional trade agreements in the form of Free Trade Areas (FTAs), comprehensive economic cooperation agreements (CECAs), and comprehensive economic partnership agreements (CEPAs) of which the FTA with ASEAN has been the most important in strengthening economic relations with South East Asia.³ All the ASEAN countries have implemented the above Agreement. Although negotiations for trade in services and investment agreement have been completed, the same is yet to be implemented. At the same time, India is a partner in the Regional Comprehensive Economic Partnership (RCEP), which is a comprehensive free trade agreement being negotiated between the 10 ASEAN members and ASEAN's FTA partners, namely, Australia, China, India, Japan, Korea, and New Zealand.⁴

The India-ASEAN relationship has entered its third decade. India became a sectoral partner of ASEAN in 1992, a dialogue partner in 1996, and a summit-level partner at Phnom Penh in 2002. The ASEAN-India strategic partnership—the elevated relationship that began at the 2012 Commemorative Summit—gives a greater hope in delivering stronger bilateral relations. The relationship between ASEAN and India has been elevated to Strategic Partnership level since 2012. As a Strategic Partner of ASEAN, India is also actively associated with various ASEAN-led fora dealing with defence and strategic issues. These include the East Asia Summit (EAS), the ASEAN

Regional Forum, ASEAN Defence Ministers Meeting Plus (ADDM+) and the Expanded ASEAN Maritime Forum. Thus India's engagement with ASEAN has expanded rapidly. Today, India has 26 annual dialogue mechanisms with the ASEAN, including a Summit and seven Ministerial level meetings in key sectors.

Combined, India and South East Asia are home to 1.8 billion people and have an economic size of US\$ 3.8 trillion, sharing substantial world resources, economic and otherwise.⁵ With a free trade agreement (FTA) in goods in place since 2010, ASEAN and India have created an economic space, which has been the first major step toward creating an ASEAN-India regional trade and investment area. Building a common market may be achieved provided trade liberalisation is adequately complemented by effective trade facilitation and connectivity.

To unlock the huge trade potential between India and ASEAN or between India and China, what is needed for India, ASEAN and China is to remove the impediments to trade and investment such as the high non-tariff barriers, lack of connectivity (physical, digital, social) and regulatory barriers. India, China and ASEAN have to continue to strengthen regional connectivity and integration, particularly by creating cross-border infrastructure.

At the same time, development of connectivity must lead to a generation of new economic activities. Building connectivity may help India to strengthen its manufacturing sector. India needs to expand its manufacturing sector to boost exports and ensure sustainability. The decline in the manufacturing sector growth rate has cast its shadow on the country's exports, causing them to slow down in recent years, particularly after 2011. India aims to raise the manufacturing sector's share of GDP from 16 percent to 25 percent in the next decade and create 100 million skilled jobs by 2022.⁶ The need is to upgrade India's physical infrastructure, which would then attract investment, both domestic and FDI, to the manufacturing sector.

India's Major Connectivity Projects with South East and East Asia

The corridors for linking up of the NER with the South East Asia considered are (i) Trilateral Highway, (ii) Kaladan Multimodal Transit Transport Project, and (iii) Development of Lawngtlai-Saiha-Rhi-Mandalay Road. ASEAN-India

physical connectivity in the present form comprises two important projects, namely, (i) India-Myanmar-Thailand Trilateral Highway, and (ii) Kaladan Multimodal Transit Transport Project. The development has been started in most of the areas on the Indian side. Container enabled connectivity is the missing link which needs to be included. Some of the projects worth considering are development of the Rhi-Tidim road sector, strengthening of the bridges under the Trilateral Highway and the Zoringpui-Paletwa road in Myanmar under the Kaladan project. Apart from these corridors the NER states are demanding further developing the links via the old Stillwell road which has been completed up to Pangsau pass and Meluri-Awankhu-Layshi from Nagaland. Lumla-Tashigong road on the Bhutan side also needs to be taken up. The linking of the Chittagong Port from Sabroom in Tripura will open up an effective link for the NER. Besides, the Mekong-India Economic Corridor (MIEC) and Sittwe Industrial Park are two important projects which would facilitate multimodal connectivity and investment.

Road Network in North East India

The North Eastern States Roads Investment Program was developed in parallel with the Government of India's Special Accelerated Road Development Program in the North Eastern Region (SARDP-NE), which aims to provide better connectivity to the state capitals and district headquarters in the NER by developing two-lane national highways and improving state roads. ADB's Investment Program was designed to complement SARDP-NE, focusing on improvements to intrastate connectivity (mainly to district headquarters and other places of administrative and economic importance in the individual states) and enhancing the capacity of state public works departments (PWDs) to manage their road assets.⁷

On 17 February 2014, the Government of India and ADB signed a \$ 125 million loan for the second tranche of the ADB-financed North Eastern States Road Investment Programme, approved in 2013. Reconstruction and rehabilitation of more than 236 km of state roads in Assam, Manipur, Mizoram, and Tripura will contribute to increased transport efficiency in the project area as well as better mobility and accessibility in the wider NER. The second tranche adds to the 200 km of state roads already being improved under the first tranche of the investment programme approved in 2011.

Better roads in the region will significantly improve the investment climate for the private sector, both domestic and foreign. Increased mobility and accessibility for many of the isolated communities in the project area may help open up new economic opportunities, boost growth, and reduce poverty. In addition to ADB's loan of US\$ 125 million, the central and state governments of India have committed counterpart financing of US\$ 32 million. The second tranche of the investment programme is expected to be completed by March 2020.

Stronger connectivity across the NER will build a stronger network of cross-border production chains, particularly with South East Asia and Bangladesh (De 2013). Success of connectivity, however, will depend on how quickly it brings peace and prosperity, particularly to the North Eastern states. Once connectivity projects start attracting investment, engaging development of the region and improving the quality of life of the local people through generation of employment and reduction of poverty, they become true public goods and culminating in an economic corridor.

Trilateral Highway

On the Trilateral Highway, the Tamu and Kalewa friendship road is being constructed with India's assistance. About 132 km long road has been completed and handed over to Myanmar. Work on another 28 km is under progress. India has also undertaken the task of repair/upgradation of 71 bridges on the Tamu-Kalewa friendship Road and upgradation of the 120 km Kalewa-Yargyi road segment to highway standard, while Myanmar has agreed to undertake upgradation of the Yargyi-Monywa stretch to highway standard by 2016. This project would help in establishing trilateral connectivity from Moreh in India to Mae Sot in Thailand via Myanmar. Separately, the Government of India had taken initiatives to prepare DPR for construction of Chaungma-Yinmabin section (30 km); and upgradation from single lane to double lane of Yinmabin-Pale-Lingadaw section (50 km). India has also announced extension of the Trilateral Highway to Cambodia, Lao PDR and Vietnam.

Kaladan Multimodal Transit Transport Project

One of the objectives of Kaladan Multimodal Transit Transport Project is to

provide an attractive access to Bay of Bengal to landlocked North Eastern part of India. The Ministry of External Affairs (MEA), Government of India, entered into a Framework Agreement with the Government of Myanmar in April 2008 to facilitate implementation of the project. The components of this project include (i) construction of an integrated Port and Inland Water Transport (IWT) terminal at Sittwe including dredging; (ii) development of navigational channel along river Kaladan from Sittwe to Paletwa (158 km); (iii) construction of an IWT - Highway transshipment terminal at Paletwa; and (iv) construction of six IWT barges (each 300 tonne capacity) for transportation of cargo between Sittwe and Paletwa. Framework Agreement and two protocols (Protocol on Transit Transport and Protocol on Maintenance) were signed by India and Myanmar on 2nd April 2008. Construction of integrated Port cum IWT jetty at Sittwe is substantially completed. Construction work of IWT terminal at Paletwa has been started in April 2013. The Border to NH 54 (Lawngtlai) Road on Indian side in Mizoram is in progress under the auspices of Ministry of Road Transport and Highways, Government of India.

Sittwe Industrial Park

Sittwe Industrial Park is proposed to be located at Ponnar Kyun, 18 km upstream of Sittwe port. Situated at the mouth of Kaladan River, the Sittwe port is being developed by India as a part of the Kaladan Multimodal Transit Transport Project. Myanmar government has identified about 1,833 acres of land at Ponnar Kyun for setting-up this industrial park. Kaladan River provides easy maritime connectivity with the region. Agro industries and fisheries are likely to have a good development potential in the region. This industrial park may accommodate industrial projects to cater to the local and larger Indian market.

Mekong–India Economic Corridor (MIEC)

Another important cross-border connectivity project is the MIEC that involves integrating the four Mekong countries, namely, Myanmar, Thailand, Cambodia and Vietnam with India. It connects Ho Chi Minh City (Vietnam) with Dawei (Myanmar) via Bangkok (Thailand) and Phnom Penh (Cambodia) and Chennai in India. The major investment will be required for the

development of a port at Dawei and SEZ. This corridor, when completed, is expected to augment trade with India by reducing travel distance between India and MIEC countries and removing supply side bottlenecks. The emphasis of the corridor is on expanding the manufacturing base and trade with the rest of the world, particularly with India. The corridor will enable economies of ASEAN and India to integrate further and collectively emerge as a globally competitive economic bloc.

Delhi–Hanoi Railway Link

Railways are necessary for bulk trans-national movement of goods and services among the neighbouring countries. Needs are four-fold—(1) to link India's Manipur with India's main railway corridor, (2) to link Imphal with Kalay in Myanmar (about 212 km), (3) to link Thanbyuzayat with Three Pagoda Pass in Thailand (110 km), and (4) to re-establish and renovate railway networks in Myanmar. Harmonisation of railway tracks in the region is essential. Without having a compatible and strong railway system inside Myanmar, closer communication would be difficult. RITES completed a preliminary study to establish the Delhi–Hanoi railway link in 2006. Although Railways are in service on major parts of these routes, about 238 km are missing links, which have to be built in Myanmar in order to have Delhi-Hanoi railways in operation. Renovation of railway network systems in Southern (Yangon to Dawei) and Northern (Mandalay to Kalay) Myanmar is essential.

Stilwell Road

Stilwell Road starts from Ledo in Assam, passes through the Pangsauing Pass (Myanmar–India border) and Myitkyina, and reaches Kunming in the PRC, a total length of 1,033 km. The road was built during the Second World War, but as much of it fell in disuse it has become defunct. It has two lines bifurcating at Myitkyina. The Northern line begins at Myitkyina, heads East, and reaches Tengchong, whereas the Southern line turns South from Myitkyina, reaching Ruili via Bhamo. There has been some good progress on Stillwell Road. By April 2007, with financial and technical support from the PRC, the Myitkyina–Tengchong road had been reconstructed and upgraded to a Class II road and put into service. The upgraded road is 172 km in length, of which 105 km lies in Myanmar. In October 2010, the Yunnan Construction

Engineering Group signed a memorandum of understanding (MoU) with Myanmar's Yuzana group of companies on the reconstruction of the Myitkyina–Pangsaung section (312 km) of Stilwell road.⁸ However, little progress has been made since then due to funding constraints and political instability in the Kachin state, which are hampering the construction process. About 57 km of Stilwell Road from Lekhapani in Assam to the Pangsau Pass on the border of India and Myanmar passes through India. With the assistance of the Government of India, the improvement of the road to two-lane standards has been completed at an estimated cost of Rs1.30 billion. The work in the Assam portion of about 24 km length has been completed already.

Tiddim–Rih–Falam Road

The Tiddim–Rih–Falam (TRF) road project aims to build connectivity between India's North Eastern states and Myanmar, and to enhance bilateral border trade. It starts from Zokhawthar land customs station (LCS, also known as Champai LCS) in the Mizoram state in India and ends on the other side at Rih in Myanmar. It has two road components: Rih–Tiddim (80 km) and Rih–Falam (151 km). Engineers and surveyors from the Border Road Organisation (BRO) of India and the Public Works Department (PWD) of Myanmar prepared a detailed project report (DPR) of upgrading the TRF road in 2006. Both the countries again conducted a reconnaissance survey in 2009, based on which India allocated US\$ 60 million for this project. At present, the draft MoU for the project is underway to facilitate the upgrading process. India's Ircon International has been asked to develop the Rih–Tiddim 80 km long road. The construction of the Rih–Tiddim road is likely to be completed in a few years, but there is no timeframe specified for the completion of the Rih–Falam road.

Bangladesh–China–India–Myanmar (BCIM) Economic Corridor

The Bangladesh–People's Republic of China–India–Myanmar Economic Corridor (BCIM-EC) has been identified as one of the flagship projects of the BCIM regional cooperation.⁹ At the 10th BCIM Forum meeting held at Kolkata in February 2012, the Kolkata to Kunming Highway plan (K2K Highway) was unveiled. A route survey of 2,490 km was completed jointly by four BCIM countries in February 2012. The route of the K2K Highway

is identified through Kolkata, Dhaka, Imphal, Mandalay, Lashio, Muse, and Kunming (2,490 km). It also links Ledo (in Assam) through the old Stilwell Road. A large part of this route overlaps with the Trilateral Highway, and follows Asian Highways 1 (up to Mandalay) and 14 (from Mandalay to Kunming).

India–Myanmar–Lao PDR–Viet Nam–Cambodia Corridor

This new route has been identified by Vietnam and Myanmar authorities through Yangon, Meiktila, Tarlay, Kenglap (Myanmar), Xieng Kok, Loungnamtha, Oudomxay, Deptaechang (Lao PDR), Tay Trang, Hanoi (Viet Nam).¹⁰ Following this alignment, a new corridor can be set up between India and Vietnam through Myanmar and Lao PDR. The route links Moreh and Kolkata with Hanoi and Da Nang in Vietnam. A part of this proposed highway, which follows the same route of IMTTH up to Meiktila in Myanmar, Meiktila to Tarlay, and then to Kainglap (Myanmar–Lao PDR border), is a new route of this corridor. However, a section of the route Meiktila–Taunggyi–Kyaing Tong–Traley is part of the Asian Highway 2 and GMS corridor. The Tarlay–Kainglap section (about 60 km) has to be rebuilt.¹¹ At this place, a new bridge on the Mekong River is planned. The other side of Kainglap is Xiengkok (Lao PDR), which is already connected by road with major Lao PDR cities and Vietnam. Sittwe and Meiktila are connected by an all-weather road. However, a part of the Sittwe and Meiktila section (particularly Sittwe to Ann) has to be upgraded to highway standard. The Kolkata–Sittwe section is part of the Kaladan project, where India is developing the Sittwe port and IWT network. Additional capacity and new container berths would be needed at Sittwe port if this corridor becomes a reality. Building a special economic zone or an industrial park at Sittwe would not only benefit Sittwe port and the corridor but also create economic opportunities in Myanmar's Rakhine state. This industrial zone may accommodate industrial projects that can cater to the local and larger Indian market. This industrial zone can host Indian companies who would like to invest in Myanmar. Therefore, future connectivity through Myanmar would then mean intermodal links from the Indian coast in the Bay of Bengal to Vietnam's coast in the South China Sea and beyond.

Policy Recommendations

While prospects for India–South East Asia trade have grown rapidly, challenges too have become more complex, making it an underperformer in realising the trade potential. Non-tariff policy barriers have gained importance as tariff-based barriers to trade have gradually declined. Among others, lack of connectivity is undoubtedly responsible for such a below-average performance in regional trade. Under the AEP, India and South East Asian countries are committed to reaching greater trade volumes through the ASEAN-India FTA (and also proposed RCEP), and realising the trade and economic potential by expanding trade facilitation initiatives.

Financing Infrastructure

Demand for improved connectivity between India and South East Asia has been rising rapidly. The big challenge is to secure financing for Asia's large infrastructure needs. ADB and ADBI, in the study, *Infrastructure for a Seamless Asia*, estimated that Asia needs to invest approximately US\$ 8 trillion in overall national infrastructure between 2010 and 2020. In addition, Asia needs to spend approximately US\$ 290 billion on specific regional infrastructure projects in transport and energy that are in the pipeline.¹² This study also shows that ASEAN countries will require infrastructure investments amounting to US\$ 596 billion during 2006–15, with an average investment of US\$ 60 billion per year. Public funds may not be adequate to meet this huge investment, so PPPs should be encouraged. There is an important role for cross-border funding, including by multilateral banks and possible new institutions.

Strengthening Institutional Arrangements

India has been an important partner of ASEAN since 1992 and has attached great importance to its relationship and partnership with it. In 2012, ASEAN and India celebrated the 20th anniversary of their Dialogue Partnership with, among others, a symbolic and meaningful Special Commemorative Summit. ASEAN-India partnership has been elevated to the Strategic Partnership level recently. Considering the work of the ASEAN-India Eminent Persons Group (AIEPG) and its report (Government of India 2012) with recommendations for forging a closer partnership for peace, progress, and shared prosperity, the

heads of state and governments of ASEAN and India at the ASEAN-India Commemorative Summit 2012, accepted to enhance ASEAN connectivity through supporting the implementation of the Master Plan on ASEAN Connectivity and the ASEAN ICT Master Plan 2015.¹³ The ASEAN Connectivity Coordinating Committee (ACCC) was requested to work closely with India's Inter-Ministerial Group on ASEAN Transport Connectivity to enhance air, sea, and land connectivity within ASEAN and between ASEAN and India, through ASEAN-India connectivity projects. The present institutional linkages are improving no doubt, but they have to be strengthened further to support the connectivity projects between India and South East Asia.

Completion of Major Cross-border Corridors

There are three major tasks ahead for completion of the Trilateral Highway. We need to complete: (i) the construction and improvement of two sections of the Trilateral Highway—Kalewa to Monywa via Yargyi, and the replacement of all vintage bridges falling on the highway; (ii) the Kaladan Multimodal Transit Transport Project; and (iii) the Mekong-India Economic Corridor.

Accepting Transit and Paperless Trade

ASEAN and India should negotiate and finalise a regional transit transport agreement, first between India, Myanmar, and Thailand, and then a back-to-back agreement with the rest of the ASEAN countries and then some dialogue partners. This agreement, the Trilateral Transit Agreement (TTA), has to be ready well before the completion of the Trilateral Highway. Among others, this proposed TTA will allow vehicles to move seamlessly for regional and international trade transportation purposes. This is the 'software' that is needed in order to operate the 'hardware,' the Trilateral Highway. Through this agreement, we could identify modalities of transportation, introduce operating procedures for vehicles to travel on the highway, and set up the rule book for public utilities. India may take the lead role in convening a workshop on the AITTA with the help of the ACCC and international and regional organisations such as ADB, the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the World Customs Organisation (WCO). In parallel, we should establish the ASEAN-India

Customs Transit system to facilitate movement of goods and means of transport. Building a common template for running and maintaining the corridor and signing of mutual recognition agreements (MRA) on logistics and other transportation services between the member countries would be essential for not only removing the barriers to trade but also sharing the benefits and risks. ASEAN and India should try to achieve common standards in customs, trade documentations, etc. This would facilitate the soft aspects of connectivity, such as paperless trade and single window.¹⁴

Implementing the ASEAN–India Regional Trade Facilitation Programme

ASEAN and India have been implementing national level measures of trade facilitation to support and ensure effective implementation of regional and multilateral initiatives. We suggest that ASEAN and India (and also other dialogue partners or the East Asia Summit (EAS) group) have to develop and implement a comprehensive trade facilitation work programme, which aims at simplifying, harmonising and standardising trade and customs, processes, procedures and related information flows. The necessary steps are:

- Establish a regional trade facilitation cooperation mechanism with dialogue partners;
- Establish ASEAN+India and/or EAS Trade Facilitation Repository;
- Develop comprehensive capacity building programmes to ensure smooth implementation of the work programme.

In light of the acceleration of AEC, the realisation of ASEAN Customs Vision 2020 is brought forward to 2015. ASEAN and India shall aim to: (a) integrate customs structures; (b) modernise tariff classification, customs valuation and origin determination and establish ASEAN e-Customs; (c) smoothen customs clearance; (d) strengthen human resources development; (e) promote partnership with relevant international organisations; (f) narrow the development gaps in customs; (g) adopt risk management techniques and audit-based control (PCA) for trade facilitation; and, (h) develop and implement sectoral Mutual Recognition Arrangements (MRAs) on Conformity Assessment for specific sectors identified in the ASEAN Framework Agreement on Mutual Recognition Arrangements; and enhance technical infrastructure and competency in laboratory testing, calibration, inspection, certification and

accreditation based on regionally/internationally accepted procedures and guides. Most of these activities have been already undertaken nationally.

Development of Port Infrastructure and Shipping Networks

There is a clear indication of diversion of India's trade to the East in recent years. Trade with Eastern neighbours has increased considerably. The rise of the PRC and other countries in the South East Asian region is understood to be the reason for this. Goods produced in India and destined for different locations in South East Asia typically moves through the transshipment hub located in Singapore, Tanjung Pelepas, or Port Klang. Therefore, the dependency on the Strait of Malacca is high. This sea channel is very important for the world's shipping movement as this connects the growing regions of South Asia and Africa to the economies in the East.

Being on the main East-West trade lane, Indian ports (especially on the West coast) are directly connected with the countries in South East Asia through the transshipment hubs mentioned above. However, direct liner connectivity hardly exists between India and its Eastern neighbours. Due to inadequate cargo availability and maintaining the time bound movement of cargo, major container shipping lines prefer not to call directly rather they prefer to serve the Bay of Bengal market through their feeder alliances connected to the transshipment hubs. Being private entities, profitability is high on their agenda. Allowing coastal shipping in Bay of Bengal (Short Sea Shipping) would perhaps help ASEAN LDCs to increase their market access in South Asia and vice versa.¹⁵ The coastal trade agreement signed by Bangladesh and Myanmar in 2012 may be converted into a regional agreement with participation of India and Thailand to start with. Institutional links between ports and the shipping community, regional (and bilateral) short sea shipping, and training and capacity building would pave the way for stronger maritime links in the region. Countries may think about signing of Mutual Recognition Agreement (MRA) in shipping and logistics services. Regional cooperation initiatives can play an important role in strengthening the maritime network (AIC 2014).

Setting up an ASEAN–India Economic Zone

With the establishment of the Integrated Check Post (ICP) at Moreh, trade

transaction cost is likely to come down at the border. This would also result in border trade being fully formalised resulting in rapid growth. ADB is funding the connectivity projects in the North Eastern region of India, including a new alignment for part of the Imphal-Moreh (NH 39) highway. Moreover, progress on railway connectivity from Jiribam to Imphal is going in full swing, which, even if falling behind schedule, is likely to be completed by 2017 up to Tupul and by 2020 to Imphal. Manipur government has decided to set-up a township at Moreh. In view of Myanmar's recent GSP benefits from EU, it is quite feasible to build an economic hub in and around Moreh (India) and Tamu (Myanmar) border area, which we may call 'ASEAN-India Economic Zone (AIEZ)'. Moreh-Tamu area is the junction of most of the land connectivity corridors. With wage arbitrage, connectivity advantage, access to markets, and availability of land, AIEZ may convert one of Asia's laggard regions into a versatile growth centre.

Building a Stronger Coordination Mechanism

Regional connectivity has made progress within different regional frameworks in recent past and ASEAN's dialogue partners are getting increasingly involved and contributing their efforts in support of Master Plan of ASEAN Connectivity (MPAC). MPAC projects require \$600 billion worth of financing.¹⁶ ASEAN Infrastructure Fund (AIF) is a potential source of financing. At this stage, five infrastructure projects, valued at US\$ 150 million, have been approved. Additional resources are therefore required to support the connectivity projects, and the ASEAN acknowledges the important role of dialogue partners in achieving greater connectivity in ASEAN. ASEAN Secretariat and ASEAN Connectivity Coordinating Committee (ACCC) hope to achieve concrete outcomes from its engagement with a number of dialogue partners including India. Dialogue partners of ASEAN were requested by ACCC to share their experiences with connectivity projects and also to present their plans and proposals on involvements and contributions in support of MPAC. A stronger coordination between ASEAN and its dialoguer partners would be helpful in building cross-border connectivity.

Concluding Remarks

This study suggests that India and South East Asia are becoming more

economically integrated and there is ample scope for deepening this integration process. Given India's diversity and geographical contrasts, an integrated transport network with South East Asia in particular is required to support the integration process. Asia-wide connectivity projects like the Asian Highway and Trans-Asian Railway shall be complemented by cross-border transport projects linking India with South East Asia such as Trilateral Highway. Inter-modality in transportation is essential in many of the transportation chains between India and South East Asia. At the same time, it is important to exploit synergies across various types of cross-border infrastructure. Soft side of connectivity such as transit, single window, etc. should go hand-in-hand with the development of hard connectivity. Good coordination among countries, national line ministries, regional sector institutions, and other stakeholders is essential. Besides, harmonisation of the policy, legal and regulatory regimes between India and ASEAN is needed. Stronger connectivity across NER will build a stronger network of cross-border production chains, particularly with South East Asia and Bangladesh.

South East Asian countries and India have to identify the missing links and investment needs from a region-wide perspective. To a great extent, missing rail and roadways in Myanmar is hindering the overland connectivity between South and South East Asia. Therefore, average road condition and railway system inside Myanmar needs to be improved. Roads leading from Myanmar to India and Thailand require widening and better maintenance to allow efficient movement of larger vehicles. Development of economic corridors taking countries in the region will facilitate investments as well as spur economic growth in India's Southern and North Eastern regions as well as Myanmar and Mekong countries.

Success of any regional connectivity projects will depend on how strong the backend integration is. At present, this backend integration is very poor in India. Backend integration with national connectivity projects is therefore essential in order to reap the benefits of growing economic linkages between India and South East Asia. To sum up, trade liberalization is important, but sometimes it is not adequate enough to enhance region's trade. Improved connectivity and trade facilitation can complement that effort. Unlike LEP phase, connectivity appears to be a vital component of the Act East Policy.

NOTES

1. See, for example, ASEAN-India Eminent Persons Group Report 2012, (Government of India, 2012), available at <http://www.aseanindia.com>
2. Refer the speech of Secretary (East), Government of India delivered at Mumbai in February 2015.
3. India's FTA with ASEAN was signed on 13 August 2009 and came in effect from January 2010.
4. Some of the key subjects that have been discussed in the working groups are tariff modalities in goods, listing of services and investment, elements of the RCEP chapters and possible texts, intellectual property, competition, economic and technical cooperation, legal and institutional issues, customs procedures and trade facilitation, and rules of origin. The 6th RCEP meeting was held in Delhi in December 2014.
5. Based on the World Bank's World Development Indicators (WDI), 2013.
6. The government announced a National Manufacturing Policy in 2011. Refer, Government of India Press Note 2 (2011 Series).
7. See, <http://www.adb.org/sites/default/files/project-document/73252/37143-013-ind-ffa.pdf>
8. Pangsauing is a town in Myanmar that shares a border with India (near to Pangsau Pass).
9. BCIM is a Track II initiative to enhance regional cooperation among the member countries. For further details, refer Rana and Uberoi (2012).
10. One of the flagship projects of the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS).
11. Based on the authors' personal communication with Myanmar Ministry of Construction officials.
12. ADB and ADBI (2009).
13. Refer, ASEAN-India Eminent Persons Group (AIEPG) Report, co-chaired by Amb. Shyam Saran, available at <http://www.asean.org> The Summit was held to commemorate the 20th Anniversary of the ASEAN-India Dialogue Relations under the theme of "ASEAN-India Partnership for Peace and Shared Prosperity", refer the Vision Statement dated 20 December 2012, available at <http://www.aseanindia.com>
14. The ASEAN Single Window is an environment where 10 National Single Windows of individual member countries operate and integrate, being supported by US through USAID. National Single Window enables a single submission of data and information, a single and synchronous processing of data and information and a single decision-making for customs clearance of cargo, which expedites customs clearance, reduces transaction time and costs, and thus enhances trade efficiency and competitiveness. India is at a very advanced stage of implementing Single Window.
15. India's Shipping Corporation of India (SCI) has started a new direct shipping service between India and Myanmar on October 2014. The port rotation includes Colombo-Chennai-Krishnapatman-Yangon-Colombo. Refer, http://commerce.nic.in/WhatsNew/Direct_Shipping_Service_Myanmar.pdf
16. Refer, for example, speech of Mr. Adnan Jaafar, Dy. Permanent Secretary, Ministry of Foreign Affairs and Trade of Brunei Darussalam at the workshop on "Enhancing Connectivity through Multi-layered Regional Framework", held at Bangkok on 19 July 2013.

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ASEAN-India Economic Cooperation and Integration

Nagesh Kumar

We just heard three very enlightening and very comprehensive presentations by Nambiar and Prabir and also very insightful comments of Prof. Suthiphand whom I have known for a very long time. I think most of the important points have been already made in this discussion. What I would like to do is just highlight a couple of points that I thought should be taken forward on this discussion. In the ASEAN-India partnership that we are discussing one more thing that has been added in recent times that makes it very critical is the changed external environment for economic cooperation and integration. You know that in the period of 2003–2007, just before the Lehmann Crisis broke down the global economic integration, the world trade was growing at a very fast pace, about 10 per cent per year. The major locomotives of the world economy at that time were the US and Eurozone driving growth with debt fuelling consumption and that helped economies of China and other countries in this region to emerge as major supply bases. It has changed very dramatically since then. Now, you know that world trade growth has come down to just 2-3 per cent and the advanced economies of the world are facing very uncertain and subdued kind of economic outlook. In that context, regional economic integration becomes even more critical for driving the Asian dynamism that we have become used to. So, in that context, the ASEAN-India economic cooperation and integration assumes much bigger centrality and criticality.

In that context, the other development is the rise of mega FTAs, the Trans-

Pacific Partnership on the Eastern side and the Trans-Atlantic Trade and Investment Partnership on the other side. You would know that with these two mega blocs together with the single market of Europe and NAFTA in place, more than 80 per cent of trade of major economies of the world will be conducted on a preferential basis. That leaves the countries which are not part of these blocs at a disadvantage. Again, in that context, I would like to very strongly support the formation of RCEP between the ASEAN countries and the six major dialogue partners which includes India. RCEP has the potential to emerge as the third pole of the world economy alongside European market and NAFTA. It could be a very sizeable, a very big critical mass. Besides, the dynamism of the constituents of RCEP, the 20 trillion dollar market would be a counterweight to EU's single market and NAFTA and a huge base of population, almost 50 per cent of world's population, will be served by RCEP countries. RCEP is also important because it has incorporated this open accession clause which is a very right thing to do. In ESCAP we tend to see RCEP as a nucleus of an even bigger Asia-Pacific integrated market eventually to happen. So, it is being negotiated by 16 countries but we hope that eventually more countries enjoin it using this accession clause. So, for instance if Pakistan or Bangladesh or other countries in the region want to join it, there is no reason why they cannot because they can fulfil the conditions of accession.

In the context of this deeper regional economic integration, while it is very important to negotiate a good agreement under RCEP covering goods, services, investment and dealing with non-tariff barriers of the type which Prof Suthiphand was talking about and economic cooperation to cover all different aspects of standards, harmonisation, trade facilitation and all that. It is necessary to note that this region of 16 countries has some development gaps across the spectrum of the membership and narrowing developing gaps could be a very important aspect of regional cooperation which would make it much more productive and fruitful and for that there are very important opportunities in this region.

One of the major strengths of RCEP countries is that their combined foreign exchanges reserves are much bigger than the combined foreign exchange reserves of EU and NAFTA countries as 75 per cent of total reserves belong to this region. There is no reason why these resources, which are currently

intermediated through Western capital markets, cannot be intermediated through some of the regional cooperative architecture which needs to be developed and which could facilitate development of infrastructure in the region. In that context, we have seen the development of BRICS Development Bank, the New Development Bank set up by BRICS countries and China's initiative of Asian Infrastructure and Investment Bank (AIIB). These are very important initiatives. But, there is room for more, especially because in addition to seven trillion dollars of foreign exchange reserves in this region we have estimated that private savings of the wealthy in this region are also of the same order, about seven trillion dollars and it is such a lost opportunity that most of the resources are invested and put in the Western capital markets because we lack a cooperative architecture for their deployment and intermediation in Asia. So, financial cooperation has to go hand in hand with deeper regional economic integration under ASEAN. That is the point I would like to make.

The other is the discussion which was there on regional value chains that is very important and regional economic integration's full potential will never be realised without allowing the regional value chains to develop. For that it has been very rightly pointed out that you need seamless connectivity. Prabir has highlighted all different initiatives that are on for developing connectivity through multimodal corridors and Mr Chairman you were pointing out that the biggest challenge has been that some of these initiatives have been implemented slowly and the time taken is very long partly due to financing. I think the way out is to join the dots on these corridors and make them part of bigger extended corridors which extend commercial viability that would attract multilateral and other investors because they become part of bigger picture corridor. There we need to look at some of the big picture roadmaps for development of connectivity and I would like to point out the trans-Asian railway roadmap that was developed by ESCAP many years ago and that is also backed by an inter-governmental agreement on trans-Asian railway.

We had conceived of three Asia-Europe corridors as a part of this trans-Asian railway roadmap. The first two which were connecting the Northern part of Asia-Europe network and the middle through Kazakhstan, China and all that, they have come up. But the third one, the Southern route network of trans-Asian railway which would be passing through India and connecting ASEAN countries and China with India and all the way to Europe has not

materialized. I think the time has come to link some of these individual bilateral and trilateral parts of the connectivity corridors as a part of that big picture overarching framework because transport corridors actually work on the concept of network externalities. So, when you extend a network, the benefits or the outcomes multiply in a disproportionate manner. That is the beauty of these corridors that we need to think about big picture and sell these parts of the big picture to the institutional investors, multilateral development banks and they will take them up for development and they could be expedited this way.

I think there are many opportunities for India and ASEAN to work together. Energy security and cooperation again is a very fruitful, productive, potential is waiting for exploitation. The Chairman has just now pointed out how the South Asian energy grids could possibly evolve and connect with ASEAN grids in future. Similarly with gas and hydrocarbon pipelines developing between the South Asian countries connecting with ASEAN networks would be very important prospects. The future of ASEAN-India partnership definitely is very bright in this changed context of global economy where the engines of growth need to be found within the region. I think this assumes even greater criticality.

**DIRECTIONS FOR
DELHI DIALOGUE VIII**

Chaired by Hidetoshi Nishimura

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Directions for Delhi Dialogue VIII

Rumel Dahiya

Thank you Mr Chairman for the opportunity to present my views on the subject.

The goal of the next Dialogue should be to move the relationship to the next level. Too heavy an agenda may slow down implementation due to capacity constraints. Therefore, there is a need to involve people beyond the governments which have a finite human capital at their disposal. We should also not dump the old ideas in favour of the new. We should therefore complete implementation of old ideas and simultaneously start battle procedure for implementing the new ideas.

Whereas ASEAN-India relations have steadily grown in political and economic fields, there is a sense of *deja-vu* every time we sit down to discuss the future of this relationship. This is primarily so because there is so much of untapped potential that is yet to be harnessed and we are often slow off the blocks. The most glaring example of our inability to move faster in consolidating the relationship is the delay in improving the connectivity. Whereas there may be problems in decision-making with some of our neighbours, I think we in India have also not put in sufficient energy in executing the projects necessary to develop connectivity. The Kaladan project which should have been nearing completion by now is delayed, railway connectivity to our border with Myanmar is progressing slowly and the condition of the road from Imphal to Moreh is not flattering. Similarly, while

the air connectivity from the metropolitan cities in India to Singapore, Bangkok and Kuala Lumpur is satisfactory and growing, our airports in North-East India including Guwahati hardly have any connectivity with any airport in the ASEAN region. Even some of the capital cities in ASEAN are either not directly connected or have limited frequency of flights from even metropolitan cities in India. This is a very serious lacunae that prevents development of people-to-people contact between India and many countries of ASEAN. Even in case of sea connectivity, there is much that can be done by linking ports in the coastal cities of Odisha, Andhra Pradesh and Tamil Nadu in India with ports like Tanjung Priok in Indonesia and Dawei in Myanmar. Besides upgrading some other ports for steady flow of trade and commerce, the railway connectivity does not have to be restricted to just Imphal-Tamu-Kalay-Mandalay but also should connect Aizawl to Kalay. Similarly, road connectivity should also not be restricted to Trans-Asian Highway. Some other links connecting Jorhat in Assam with Tamanthi in Myanmar via Tuensang in Nagaland will help in execution in Tamanthi hydro-project.

We also need to give a thought to the challenges which are surfacing now but are likely to become serious in coming years, e.g., maritime security, cyber security, human resources development and provisioning of necessary services to the people in the far-flung areas. I recommend that for the Delhi Dialogue VIII, we should think seriously on the following issues besides focusing on implementation of outstanding projects:

- (a) Maritime Security Cooperation: you would agree with me that whereas Atlantic was the most important ocean in the last century and Pacific is very important presently, it is the Indian Ocean that will be the most important maritime thoroughfare in the coming decades. Continued prosperity of ASEAN and economic growth of India will depend heavily on freedom of navigation and free flow of trade and commerce through the Indian Ocean in the coming years. Piracy has the tendency to resurface and sea borne criminal activities may surface any time in the future. Besides, disappearance of MH 370 and inability to track its flight path accurately highlights the need for developing an interconnected coastal surveillance network. We should also have commonality of approach to Humanitarian Assistance and Disaster Relief (HADR) involving joint training of personnel in mitigation and management of disasters in the region. You can very well imagine

the effectiveness of the disaster relief teams located on the Andaman & Nicobar Islands being able to respond fastest to any disaster in the Bay of Bengal area or in any of the ASEAN countries. Cooperation between law enforcement agencies, coast guard and navies is also a necessity.

- (b) The second issue which to my mind should be given importance is the improvement of governance in lesser developed areas through a collaborative effort such as building medical infrastructure, educational institutions, tourism circuits and trading hubs. India has to think of many more modern day Nalandas based in North-East India and neighbouring ASEAN countries. Connectivity, both physical and digital, is becoming important. Regional internet grid and shared regional services will help greatly in ensuring digital connectivity. However, spreading the digital connectivity will only be beneficial if cyber security cooperation is simultaneously operationalised.
- (c) Cooperation in the field of green energy for economic development and environmental security needs attention.
- (d) Sustainable blue economy will benefit people in all the countries and hence there is a need to share ideas and work collectively on this issue.
- (e) Mutual investments in infrastructure, private sector participation in IT education should also be looked into.
- (f) Going forward we should focus on high impact endeavours that have the potential of transforming the lives of millions.
- (g) Space cooperation is another potential area of cooperation involving launching of joint space satellites, building ground stations, weather forecasting, improving communications and enhancing surveillance capabilities.

We should not let the momentum slow down. ASEAN and India have much at stake and it is only through proactive measures that we can progress together.

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Consolidating the Delhi Dialogue

Rajiv K. Bhatia

Concerning India-ASEAN relations, our assessment shows that they have progressed well in the past over two decades. In the past three years, there is perhaps an air of stagnation as reflected in the trade and investment flow figures, even as our collective endeavours to engage the people at large have accelerated considerably. On the political and strategic aspects, there has, however, been considerable progress in recent months under the leadership of Prime Minister Narendra Modi. We believe that India-ASEAN relations will henceforth be deeply influenced by the interplay of India's relations with other key players in East Asia. This perspective has been analysed and presented extremely well in ICWA's latest publication entitled *India's Asia-Pacific Engagement*.

In the future development of India-ASEAN relations, the contribution of sub-regional cooperation should not be minimised. Hence, a two-pronged approach is essential, i.e., to re-invigorate BIMSTEC and to build up the cooperation in Bangladesh, Bhutan, India and Nepal (BBIN) framework and promote its linkages with ASEAN.

At the end of 2015, ASEAN will enter a new age. However, many of the present issues and priorities, challenges and opportunities shall continue. India's policy makers and opinion makers will need to monitor closely the speed, trajectory and directions of ASEAN in the remaining years of this decade and tailor make our approach accordingly.

External dimensions of our Act East Policy have been favourably

commented upon. We believe that our credibility will go up incrementally as we show adherence to credible deadlines in respect of our two flagship projects, namely the Trilateral Highway and Kaladan projects.

Internal dimensions of Act East Policy (AEP) are even more complex, requiring a judicious blend of sensitivity and firmness. India's policy may not have been as successful as claimed, but it has certainly not been as inadequate as its critics assert. Nevertheless, the prevailing perception in North Eastern Region (NER) that the Act East Policy has failed, needs to be understood, analysed and addressed suitably. Words cannot supplant action; charts and maps cannot be the substitute for roads and bridges; calls for 'development corridors', without an effective business strategy, will only be a wish and not a plan. We need to work for and show evidence of actual enhanced economic development in the North East in order to convince its people that India-ASEAN relations have begun to yield dividends for them.

Regarding the Delhi Dialogue, our view is that it should continue and it should be consolidated further. We have several suggestions to offer as below:

- We could bring in more civil society voices and perhaps a little bit more of representation from universities. Our collaboration with 'Asian Confluence' produced a valuable conference and an outcome document entitled *The Shillong Consensus* which deserves wider notice.
- Preparatory activities should be held throughout the year rather than in the last few weeks prior to the Delhi Dialogue.
- There is a pressing need for an annual event to be hosted by ASEAN which is comparable to the Delhi Dialogue.
- Finally, we should set up a Young Scholars Forum which facilitates interaction among younger scholars and generates ideas of the new generation for consideration by veterans.

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Advancing the Delhi Dialogue

Gopinath Pillai

Mr Chairman, fellow panellists, Excellencies, ladies and gentlemen, I would first like to thank the organisers for this Delhi Dialogue VII. I think we have made great progress, we have done well. I divide my comments into three sections. First, on the current state of play, second, going forward what we need to look at, and third on Delhi Dialogue. On the current state of play, I would say that the relations between member-states of ASEAN and India are totally problem free. There are no issues that mock us, actually things are going pretty smoothly, except one comment I have is that what has been achieved is nothing near what can be achieved and therefore we are still very short. That is the conclusion I have of the present state of play.

Then I go on to the future, rather while going forward what we do. Let me look at two angles—one is the political, the other one is the economic. Going forward is not going to be a walk in the park. In other words it is going to be somewhat difficult. Someone said earlier that we had a tremendous future in going forward. Yes, future is good but how does it materialise. Something that reminds me of when I started golf 30 years ago, my coach told me I would be a single handicapper. After 30 years I am still at 20 because I hit a long ball but it goes to the wrong direction.

There are two issues on the political side. One is ASEAN itself. The ASEAN that was built which was seen as a totally solid united organisation today suffers from certain stresses. This is partly due to domestic politics of the member countries, and partly due to the fact that outside forces have now

influence on some of the member-states' decisions. In such a situation, it is very difficult for another country to come in and gain traction. India, it must be remembered, is the late entrant into ASEAN. In spite of its age long relationship with South East Asia, I have seen Hanuman throughout South East Asia. Our Hanuman is seen by each of the South East Asian countries. But that is history. Currently it is something else. So that is the problem with the political side. So it is going to be tough.

Then on the economic side, I think Dr De made a very good presentation and he highlighted all the problems that we are facing. We are not short of initiatives, we have so many of them, therefore do not add any more of them, instead try to implement them. Why is that not happening? I am a very simple minded private sector person so to say this in front of an audience which is made up largely of bureaucrats and scholars, I am a little frightened. But since there are no rotten eggs around I will take the risk. I think we should do a study to look at how some of the initiatives can be actually hived off or outsourced to the private sector. They will find the money, they have the initiative, they have the drive provided there is a profit to be made, and I think they will implement many of the things. Some of them cannot be done because they have to get government approval, governments' sanctions and that takes time. But even there, there are ways of doing things. Take a simple example. Visa from Indian government is now outsourced to travel companies. Travel companies can actually do all the paper work and give it to them to do the job and it makes it much faster. We used to have this line up when I was young, it took two weeks to get a Visa, now in 24 hours you get a visa because it is outsourced. So, you can do something like that.

But we must consider two basic factors. One, India must realise that it is a late entrant and therefore should be prepared to make significant, I would not say concessions, but significant policies so that ASEAN will find it necessary to embrace them. Recently there was an article on RECP written by a very knowledgeable commentator and he made a statement, 'I cannot see this coming to a quick conclusion because India is a member and India's negotiators are formidable, they can keep things going for a long time'. This was published in *Strait Times* about a week ago. First, India must feel that it wants to interact with ASEAN, it wants to gain traction in ASEAN not because China is there, not because Japan is there, but because on its own it want to do. Then once that realisation comes, I think that would be the first necessary step taken.

The second step is that ASEAN must realise it is good to have India as a partner. I think ASEAN needs India as a partner. Singapore has realised this. That is why we fought very hard to make sure that India was engaged first as sectoral dialogue partner and then a full dialogue partner of ASEAN. Even today Singapore stands as one of the advocates of engaging India and that is because we see that geopolitical necessity to have India as a partner of ASEAN. My institute, the Institute of South Asian Studies, holds a diaspora convention every two years. At the 2011 convention my good friend Mr Tarun Das, who was then mentor for CII said, 'India should open its doors totally to its immediate neighbours, meaning SAARC members,' and then he received such applause because he was trying to say India is so large, why not make some concessions and you gain a lot of friends. But, whether that will happen in my lifetime or your lifetime I don't know. But it is a suggestion. So, unless the concessions are made, I think it is going to be extremely difficult for India to gain traction and ASEAN to benefit from India's participation.

Someone mentioned the space engineering. There are certain technologies that India has. The ability to produce a vehicle at the fraction of the cost of what developed countries and even China makes tells you of a certain advancement in technology that India enjoys. There are other applications that Singapore companies do not want to go into. Malaysian companies do not want to go to space, maybe they do, but anyway there are other priorities, but your electronic engineering capabilities can be shared and, you can make investments. Large Indian companies have got a huge amount of cash, they are very resourceful and are doing extremely well. They have been gaining their strength in the comfort of a protected environment but now it is open. They are equally able to compete. If they can be paired together with ASEAN companies they can solve a lot of problems. I think the contribution that India can make is tremendous in the field of engineering and in some other fields. So, I think this is something that must be considered.

My final point on how to go forward on the Delhi Dialogue is first and foremost, to keep a dialogue of this size and retain the interests of everybody is very difficult to hold on an annual basis. So, my suggestion is you don't have to hold it annually. You cannot retain interest, you cannot get sufficient discussions going, but you could have a slightly longer session but once in every two years. We hold our South Asian Diaspora Conference once in two years because we just cannot sustain it on annual basis. Secondly, there is, at

the moment, too much of discussion on the big picture. I think we need to focus on having more business discussions because that is what sustains it, you have to earn a profit. It is a dirty word, but still it is a very useful and essential word and, therefore I think we should look at how this can be done bringing the small and medium companies. ASEAN is full of vibrant small and medium companies and India is no worse off; marry them and you get a lot of these things.

The dialogue needs to have more repetition both in themes as well as presenters. In this regard it may be useful to consider the possibility, as I said, of holding it once in two years. The equal importance given to all the themes should be reconsidered. I think perhaps we should prioritise and then take it on that basis. So, some of the themes can be given a lower priority, but not discarded. We can have simultaneous programmes where the lesser ones can be taken as a parallel thing. Finally, the idea of having, as I said earlier, the business segment, I would try to persuade you to consider that. Thank you very much.

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Future Direction for India and ASEAN

Tan Sri Rastam Mohd Isa

First of all I would like to express my sincere thanks to the Ministry of External Affairs as well as IDSA and other partners in the Delhi Dialogue process for bringing in Institute of Strategic & International Studies, Malaysia into this Delhi Dialogue process. We are very happy to be a partner. I had the opportunity of participating in the last year's dialogue and I am equally happy that I am here today. I would confine my comments to the future direction for the ASEAN-India dialogue or strategic partnership as well as on the Delhi Dialogue process.

Going forward, we are looking at post-2015 ASEAN and its strategic partners. We know that ASEAN is looking to establish the community by the end of this year, the ASEAN Economic Community, the ASEAN Political Security Community as well as the ASEAN Social Cultural Community. There seems to be the impression among some people, at least in Malaysia, that by 1 January 2016, there will be a new dawn, the Sun will be shining bright and things will change in ASEAN. In fact, it is just another development in the process of the evolution of ASEAN regional integration.

For Malaysia, as the Chairman of ASEAN now, the emphasis is towards ensuring that all the processes, all the action lines, all the steps that are necessary towards bringing the ASEAN Economic Community are in place by that time, and this commitment is not just from Malaysia, it is from all the ASEAN countries. We know that frantic work is going on, the ASEAN Economic Ministers just had their retreat this month. The ASEAN Foreign Ministers

had their retreat earlier in January and there are a series of other meetings that are going to take place. Subsequently, of course, there will be meetings involving the ASEAN dialogue partners. For Malaysia, the emphasis would be on a people-centred ASEAN. The ASEAN Charter talks about a people-oriented ASEAN, but we would like to emphasise a people-cantered ASEAN which is basically about how to better the lot of the 620 million people in ASEAN. So, I believe that in the context of ASEAN-India relations and ASEAN-India strategic partnership, perhaps India should be thinking along those lines, which is how to better the lot of the combination of the people of ASEAN and India to the extent that this strategic partnership is seen as a people-centred strategic partnership.

I think what needs to be emphasised also as Ambassador Bhatia has mentioned is the younger population of our countries, the youth. When we move forward and by the year 2030, 2050 and so on, the studies have shown that whilst the population of Japan and China would be aged, the population of India will still remain relatively young and so will the population of ASEAN. So, there will be perhaps greater productivity in these areas, these would be new centres of production and these would also be new centres of innovation. There is certainly a rising middle class in ASEAN as well as in India. Just to quote some statistics, although I am not one who likes to go for statistics, but perhaps just to emphasise the point, this is a study done by Neilson, in 2012, and according to Neilson there were 190 million people in the middle class in ASEAN out of 600 million or so, 210 million in India and 120 million in United States. By the year 2020 the expectation is that there will be 400 million people in the middle class in ASEAN, 540 million in India, 125 million in the United States and 120 million in Britain, France and Germany combined. The definition given by Neilson for middle class is someone who has a daily disposable income between \$16 and \$100.

Of course, when we talk about the youth we are talking about the Gen Y, we are talking about millionaires now, we are talking about people who have new thinking, people who have different ways of doing things. They have high expectations, they are expected to be more productive, but they are also highly mobile, they don't want to be told, they need to be informed, they don't want to be subjected to complicated rules and regulations. They move from job to job as they please, and sometimes they can even pick up a job for the sake of doing some work with civil society organisations or humanitarian

activities. This is a new group of people that we should be looking at, but they are also technology savvy, they are also people who are into disruptive technologies which requires change. Here I am talking about space technology and all kinds of other technologies, on which these people will be working on. I am all for the idea of bringing in the representation of youth into the Delhi Dialogue process.

Now, the question of how do we manage the expectations of the young people and plan for the future is very important. Just to let you know that as part of its Chairmanship, Malaysia is working on organising an ASEAN Youth Assembly by the end of this year. I am not very much privy to the full details but what I know is that the idea is to give a voice to the young people in ASEAN and I am sure, again as part of the Delhi Dialogue process, that we could do something along similar lines in the future.

Another thing on this very point about ASEAN being people-centred, you have the Make in India initiative by the Prime Minister. In the context of ASEAN-India Strategic Partnership, I think there could be a time in the near future perhaps, again picking up the point that has been made by the previous speakers, to have Make in India Plus initiative, which is through connectivity, through various efforts that are ongoing now you could have Indian industries and industries in ASEAN working with proper synergy and cooperation.

Another point that needs to be taken into account is that if we are looking at post-2015 period in the international context, we should be talking about sustainable development goals. Now, sustainable development is of course an important issue not only for India and ASEAN, but we should be looking at sustainable development for the whole international community. This is where India and ASEAN could work on quite successfully because when we talk about sustainable development we will also be looking at environment, climate change, water, energy and food habits, pandemic diseases, sanitation, and so on and so forth.

Another point which I would like to bring up is just to expand a little bit on people to people connectivity. There has been talk about connectivity of cultures and so on but I think the connectivity of ideas is very important. Hence, that is where the role of the youth would come in. There are of course certain initiatives that have been taken by civil society organisations and NGOs

and so on, some basic activities which could be helpful to the people in the rural areas in both India and ASEAN countries for example, there are many of these including the production and use of methane gas from waste products and things like that.

Earlier on Dr De has talked about the barriers to trade, but I think in this particular case, not only India but also ASEAN has to be responsible because there are still a lot of issues and problems that need to be resolved within ASEAN. Seamless connectivity, will not come about if some of these issues are not resolved within ASEAN itself.

I would now like to move to the Delhi Dialogue process itself. I fully agree with the earlier speaker about the role of the business sector, the private sector. I am very happy that there was actually a business session yesterday. There could be a sort of a fusion of the topics as well as the subjects that have been discussed as well as the participation between that session and this session because otherwise it might appear that you have a business session and this is where all the business is done, you have an academic session and this is where all the talk is done. So I think the idea of having a business session is certainly good, but there could be some way of bringing together the participants at some point in time and perhaps the idea of having a longer session perhaps over two days could be considered in that respect.

I would agree that we need to focus on specific and pressing issues out of the long wish-list. Otherwise we will be repeating the same thing over and over again every time we have a dialogue. So it is important for us to pause at some point in time, take stock of what has happened, clear bottlenecks and resolve the problems. By bringing in other players, the business sector, the youth, the parliamentarians, CSOs and so on, we can get better amalgamation of ideas as to how to move forward in this process.

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The Way Forward

Kavi Chongkittavorn

Thank you very much Nishimura Sir. I would like to thank the organisers for inviting me. Also, I would like to thank Secretary Anil Wadhwa because during his time in Bangkok, he improved my putong-hua as he could speak it so fluently. Although I have entered the academic world, I am still very much a journalist. So I look at ASEAN-India differently because you cannot judge the ASEAN-India relations in isolation. Now, we need more action to move these pivotal relations forward.

Having said that I would like to take you back to the evolution of ASEAN-India relations, which started almost at the same time as with China, although the latter attended the first ASEAN meeting two years ahead of India. However, it was in 2003 that the two major Asian powers began their serious engagement with ASEAN by becoming signatories to the 1976 Treaty of Amity and Cooperation.

Although both countries acceded to Treaty of Amity and Cooperation (TAC) at the same time, but development of their bilateral relations were at different levels. How do we see their relations developing now? If you talk about ASEAN-India alone, it is a great story but if you compare with another relationship such as ASEAN-China, it is a completely different world. The ASEAN-China relations have set up 44 committees while the ASEAN-India ties have only 23 committees; half as many. What does it mean? It means the ASEAN-India talked more with a lot of promises, while the ASEAN-China also talked a lot but there were more actions too. For the sake of comparison,

among all the 10 dialogue partners, the most active one is of course China. India should have been there at the top but India was satisfied with the status quo. After Prime Minister Narendra Modi came to power, the ASEAN-India relations have been promoted. To be fair, India is still ahead of other Western dialogue countries such as Canada and Russia.

There are three policy advocacies that India must do and do it in a very big way and wholeheartedly just like the Kathak dance we enjoyed yesterday which was done with precision and determination. The first policy is the issue related to the ASEAN centrality. India has been reluctant to support the ASEAN centrality. It is about time that New Delhi came out with a forceful position because India's huge international profile, especially in G20, BRICS, etc. This morning Secretary (East) spoke about the ASEAN centrality which India supported. But it should extend beyond the current ASEAN-led frameworks. Of course, ASEAN led frameworks are many including ASEAN Regional Forum, East Asia Summit (EAS), ADMM-Plus.

India must support the ASEAN centrality at the EAS—an important leader-only framework. So far, India has not been forthcoming. It has yet to participate actively in EAS. I think these two days we have a consensus that India must take a very active role in the next EAS in Kuala Lumpur. At the moment, Malaysia as the Chair of ASEAN is reviewing the EAS process to ensure that the ASEAN centrality is maintained. We need India to support ASEAN because from ASEAN's point of view, India is always perceived as a very independent international player. You can never convince India to do anything unless India wants to do itself. That is the beauty of India.

If India supports ASEAN, it must be a total support and not something which ASEAN finds wanting. So, I think this is the best time when the EAS is taking a new shape as ASEAN is looking for ways to make sure that ASEAN will continue to take the lead. Do you know what would happen if India fails to assume this role? Other countries will come up with new ideas related to regional security architecture that is so alien to ASEAN and India. Have you heard about the Collective Security Framework for Friendship for Asia Pacific? If not, I can tell you it is the latest security proposal from Russia. Moreover, have you heard about Treaty of Good Neighbourliness, Friendship and Cooperation? If not, I can tell you. Again with the word 'neighbourliness' attached to the proposal, you should know immediately that it comes from China.

These two big ideas are emerging as a challenge to the various existing ASEAN-led frameworks. ASEAN has to be careful. If not, the outside powers can determine the new emerging regional architecture—something which we do not understand much. Let me ask you. Do you want to improve the existing regional security architecture or build a new one which is alien to all of us here? Well, this is your homework for the days. That was my second point, India must support the ASEAN centrality in both ASEAN led frameworks and in other international fora because India has a much broader support and network in international linkages. India's support of the ASEAN role and centrality in the emerging regional security architecture would be pivotal.

My third point is pretty problematic, India is the world's largest democracy with freedom of expression and freedom of the press, but the free press in India has never written anything substantive about ASEAN at all. This is a big problem. Well as a journalist, I have good reasons why Indian journalists should not write about ASEAN because ASEAN is a boring subject. Look around, the Indian press want to print exciting and sensational news headlines, which ASEAN does not have in the first place. Local media are happy with the labyrinth Indian politics with so many interesting issues and twists. In fact, it is not wrong to say that India has the most dynamic media in the world. I would like to suggest here that India and ASEAN must form a communication strategy to promote ASEAN in India. Without connectivity among the media community in ASEAN and India, the whole gamut of ASEAN Connectivity at all levels and spheres would go nowhere. I have to be frank. It is not easy to convince Indian journalists to write about ASEAN, something which can take a life time. So, it is our common responsibility to persuade Indian journalists that the future of India is to Look East. You have been looking elsewhere for a long time, now Look East and write something about us.

But ASEAN also has to open up as well. South East Asian media is equally bad when it comes to report on other countries. We have stereotypes, when we talked about India, it was India according to the Western wire services such as Reuters and BBC. Admittedly, the ASEAN media see India through BBC's eyes, which is pretty bad. We don't have any correspondents in India except I think Singapore. India has only one reporter in South East Asia to report on the community of 625 million people. That is a tall order.

What is the most interesting is the way China paid attention to South East Asia. China now has the largest media community in Bangkok, nearly 100 including personalities dealing with TV. During the Chinese New Year nearly half a million Chinese visited Thailand, so they have to report nonstop on the political situation in Thailand. China does not have a free press, but it has established the most intensive media relations with all ASEAN media organisations. At this event, India has done something extraordinary. It has invited 10 journalists from all ASEAN member countries to attend and write about the ASEAN-India Dialogue, an excellent thing. But I do not think it is enough. Just to let you know, China each year has almost two dozens of invitations for ASEAN journalists to visit and exchange views with the Chinese media and organisations. For example, recently they invited ASEAN journalists and young scholars to travel to China to get acquainted with China's view on South China Sea and on major global issues.

I think it is very important that India and ASEAN have initiated these kind of joint projects. For example, we talk a lot about maritime security, how many journalists understand maritime security? If you ask the best journalists, they would say it is all about safety and freedom of communication. How many people will dwell into the legalities, to the territorial disputes, to conservation of marine resources and many other complicated issues? I must say that the abilities of journalists in our two regions to understand these complicated issues are much needed. Without a better understanding and report, how can we promote the concept of maritime security cooperation? It will raise alarms if you write too much about ASEAN-India maritime security without knowing that it is for a peaceful purpose.

Finally, a short note about cyber security. I think this is a new area. India can make a good entry. I think India should start now because it is a hot issue in ASEAN and we need help. India can provide the skills, both software and personnel for the grouping. Thank you.

30

Connectivity and the Way Forward

U Nyunt Maung Shein

At the outset, I would like to thank the organisers of the Delhi Dialogue VII for inviting me to participate and share my thoughts on the way forward in ASEAN-India relations in the post-2015 agenda. This is the third time that I am participating in the Delhi Dialogue. In Delhi Dialogue III, I spoke on the topic of ASEAN-India connectivity. In Delhi Dialogue V, I made a presentation on the cooperation with North East India and CLMV countries. For the past two days, the term connectivity has been the key word in Delhi Dialogue VII. Yesterday we heard Deputy Prime Minister and Foreign Minister of Thailand and also one of the Vietnamese colleagues about the most feasible connectivity project between ASEAN and India that is the Trilateral Highway Project which was initiated in 2009 by the three countries that I mentioned. Now, for the ASEAN-India relations in the post-2015 era, I think it is high time that ASEAN and India speed up concretising the projects relating to both physical and legal aspects of this connectivity, especially so because the ASEAN economic community will be established by the end of this year. I think this also fits in well with the Prime Minister Modi's Act East Policy which enhances and complements the earlier Look East Policy.

I am very grateful to Dr De because he has presented very detailed connectivity projects between ASEAN and India out of which the Trilateral Highway is also one. Today I would like to report to the Delhi Dialogue VII what is happening within Myanmar about this highway. Rightly, I think, the Professor from Thailand has put that there is one section which is in quite

bad shape and we had requested the assistance of the Indian authorities to upgrade this stretch. It is about 70 miles long but it involves construction of many bridges. There are many creeks and streams along that route. Otherwise, we have given the task of highway upgrading to a private company and they have finished upgrading that stretch of the highway and from Mandalay to Yangon.

I have good news to announce, we have already a 4-lane expressway since 2005 but it was prohibited for lorries because there was some fear that it will damage the road. But now starting 15 March, the Public Works Ministry has decided that 3 axle 10-wheeler lorries will be allowed to travel from Mandalay to Yangon which shortens the original distance by about 70 miles. On the Myanmar side, the highway has been upgraded by the Public Works Department and after Thaton, Thailand is taking care of that because from Kawkaeik to Myawaddy is very mountainous and now they have built a diversion route avoiding the mountains. Now about 70 per cent of the road is complete. So, I think very soon we can put to use this Trilateral Highway. But the problem is the software infrastructure. That means the legal aspect. We have to work out the formalities at the border, how to be systematic and consistent among the three countries because there are now restrictions on entry of motor vehicles from the territory of one country into other and there are different safety standards of vehicles and drivers qualifications, there is a lack of uniformity and consistency in customs and immigration procedures and formalities, and there are also some Visa restrictions.

So, there is an urgent need for the countries concerned to work for a cross-border transport agreement. We know that in ASEAN there are already two such multilateral agreements, namely the ASEAN Framework Agreement on Facilitation of Goods and Transit signed by then ASEAN Minister in Hanoi in 1998 and a Cross Border Transport Agreement signed by all six countries of the Greater Mekong Sub region (GMS). I understand the ASEAN-India Centre at RIS in New Delhi also has some documents on ASEAN-India Transit Transport Agreement (AITTA) already drafted and I think this must be discussed speedily by India, Myanmar and Thailand for eventual signing and implementation when the road is commissioned for use.

Now, I would like to just briefly touch upon the future direction of the Delhi Dialogue. I agree with Ambassador Bhatia that we should have young

scholars brought in and perhaps also civil society members and parliamentarians, but after listening to Kavi's observations, because ASEAN post-2015 will be people centred, I see that the role of the media has become very important. Since just now our chair Prof Nishimura explained to us that there was a Chief Editors Meeting of the ASEAN, so why not have a session on the media in the Delhi Dialogue so that public awareness on ASEAN and India could be increased further. We have media from ASEAN and India here but they are just here for news reporting and photographs. I think that is not enough. So, being people centered, we have to enhance the role and activity of the media so that the two sides can understand each other better.

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