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INDIA AND ASEAN

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INDIA AND ASEAN

The Association of Southeast Asian Nations (ASEAN) was formed in 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand to promote political and economic cooperation and regional stability. Brunei joined in 1984, shortly after its independence from the United Kingdom, and Vietnam joined ASEAN as its seventh member in 1995. Laos and Burma were admitted into full membership in July 1997 as ASEAN celebrated its 30th anniversary. Cambodia became ASEAN's tenth member in 1999. Regional cooperation was further extended with the creation of the ASEAN Plus Three forum in 1997, which included China, South Korea and Japan. And then the East Asia Summit, which began taking place in 2005 and has expanded to include India, Australia, New Zealand, Russia and the United States.

The ASEAN Declaration in 1967, considered ASEAN's founding document, formalized the principles of peace and cooperation to which ASEAN is dedicated. The ASEAN Charter entered into force on 15 December 2008. With the entry into force of the ASEAN Charter, ASEAN established its legal identity as an international organization and took a major step in its community-building process.

ASEAN commands far greater influence on Asia-Pacific trade, political, and security issues than its members could achieve individually. This has driven ASEAN's community building efforts. This work is based largely on consultation, consensus, and cooperation.

ASEAN-Economic Facts¹

- In 2016, ASEAN's population reached 634 million persons and was the third largest in the world, after China and India. Indonesia's population accounted for about 40.8% of the region's total population.
- In 2016, ASEAN remained as the sixth richest economy in the world. ASEAN was also third among the Asian countries, after China and Japan. By 2050, it is projected to rank as the fourth-largest economy.
- ASEAN GDP per capita increased by 70 % from US\$2,373 in 2007 to US\$4,034 in 2016. Singapore was one of the top ten countries with the highest GDP per capita in the world.
- The region's GDP per capita (Purchasing Power Parity) increased by 114.6% from PPP \$7,065 in 2007 to PPP \$15,164 in 2016. Singapore and Brunei Darussalam were among the top 5 economies with the highest GDP per capita (PPP) in the world.
- In 2016, ASEAN's total trade stood at US\$2.2 trillion, accounting for 6.9% share of the world's total trade, positioning it at the fourth position after China (11.5%), USA (11.5%) and Germany (7.4%).
- Member States' GDP per capita varied widely. In 2016, GDP per capita in Singapore and Brunei Darussalam reached more than US\$50,000 and US\$25,000, respectively, while GDP per capita in Cambodia and Myanmar stood at US\$1,266 and US\$1,297, respectively. Indonesia, Malaysia, Philippines and Thailand's GDP per capita ranged from US\$3,000 to US\$9,500.
- China, EU-28, Japan and USA's combined shares to ASEAN's total trade in goods grew from 44.9% in 2015 to 45.4% in 2016.

¹ ASEAN Economic Community Chartbook 2017 <http://www.aseanstats.org>

- In 2016, China was the top export destination of ASEAN, accounting for 12.5% of the region's total exports, followed by USA (11.4%), EU-28 (11.3%), and Japan (8.3%).
- The region's leading export items to India mostly consisted of mineral fuels, oils and related products and animal or vegetable fats and oils and their cleavage products. Imported goods were mainly mineral fuels, oils and related products and nuclear reactors, boilers and mechanical appliances.

India and ASEAN

India's relationship with ASEAN has emerged as a key cornerstone of our foreign policy. The relationship has evolved from the 'Look East Policy' enunciated in early 1990s which led India to become a Sectoral Partner of ASEAN in 1992, a Dialogue Partner in 1996 and a Summit-level Partner in 2002. The up gradation of this partnership to Strategic Partnership during the celebration of 20th anniversary Commemorative Summit at New Delhi in 2012 was a natural corollary to the growth of India-ASEAN relationship during last two decades. The India-ASEAN Strategic Partnership acquired a new momentum with the announcement of "Act-East Policy" in the 12th Summit in 2014. It conveyed a clear intent on the part of India to up-scaling its engagement with the ASEAN Member States. The Act-East Policy emphasizes Connectivity, Commerce and Culture as the focus areas of action for a greater ASEAN-India integration. It takes into account the blueprints of the three pillars of ASEAN community building process, the ASEAN vision document ASEAN 2025-Forging Ahead Together, the ASEAN Master Plan for Connectivity 2025, the ASEAN ICT Master Plan 2020 and the Initiative for ASEAN Integration Work Plan III². Currently, there exist 30 different dialogue mechanisms between India and the ASEAN states focusing on a range of sectors.

² ASEAN-India relations. MEA

These comprise an annual Summit and seven Ministerial meetings focused on a variety of areas that include foreign affairs, economy, environment, tourism, etc. The ASEAN-India Centre (AIC), established in 2013, has enhanced the strategic partnership by concentrating on policy research and recommendations as well as organising meetings between think-tanks and similar institutions in India and ASEAN countries. AIC seeks to bridge the existing information divide amongst the people of the two regions. Exchange programmes have been put in place for frequent interaction between students, senior officials, diplomats, academics, media professionals, etc³.

India and ASEAN celebrated 25 years of their Dialogue Partnership, 15 years of Summit Level interaction and 5 years of Strategic Partnership in 2017 both in India and in ASEAN Member States. The celebrations involved conducting key activities in various sectors of engagement to highlight the strengths of the relationship. These activities culminated in hosting a grand Commemorative Summit of ASEAN and Indian Heads of States/Governments on the theme "*Shared Values, Common Destiny*" in India. The ten ASEAN leaders attended India's Republic Day parade as chief guests on 26 January 2018.

Efforts to strengthen ties with ASEAN Countries⁴

India has signed 23 bilateral agreements in commerce and trade sectors and 21 bilateral agreements in the defense and military domain with the ASEAN Countries.

India and ASEAN share deep economic ties (**Annexure-'B'**). The coming into force of the ASEAN-India Free Trade Area in July 2015 and the establishment of the ASEAN Economic Community in December 2015 have given a major boost

³ The India-ASEAN partnership at 25, IDSA, by- Ashok Sajjanhar

⁴ RELATION WITH ASEAN COUNTRIES LOK SABHA QUESTION NO.2830 (02.08.2017)

to bilateral trade. ASEAN is India's 4th largest trading partner, accounting for 10% of India's total trade. Bilateral trade with ASEAN countries which was US \$2 billion in 1992, is now US\$ 70 billion in 2016-17. India is also actively participating in the Regional Comprehensive Economic Partnership (RCEP) negotiations, which would further integrate participating countries in the region (ASEAN countries +6 countries including India), to benefit their economies⁵.

Connectivity between India and ASEAN, particularly Myanmar and Thailand, has emerged as a significant element in cementing bonds between the two regions. Better infrastructure connecting Northeast India and ASEAN has become the *sine qua non* for stronger economic and trade partnership and vital contributor to prosperity and economic development of the region. Two major connectivity projects under implementation are viz., the Trilateral Highway between north-east India and Myanmar and onwards to Thailand (and Laos and Vietnam) as well as the Kaladan multi-modal transit and transport project. The allocation of USD 1 billion by Prime Minister Modi during his visit to Malaysia in September 2015 to support connectivity projects is testimony to the importance that the government attaches to rapidly developing infrastructure and bring the regions closer.

Relations with ASEAN have become multi-faceted to encompass security, connectivity, strategic, political, space technology, counter-terrorism and anti-insurgency operations, anti-radicalisation, trade and investment, maritime security and defence collaboration, in addition to economic ties. Cooperation to curb terrorism has assumed priority. Defence partnerships with several ASEAN states are advancing rapidly.

The large Indian diasporas in many Southeast Asian countries help strengthen diplomatic, economic and security relations between India and ASEAN

⁵ Lok Sabha question no. 2830(02.08.2018) Relation with ASEAN countries

as they contribute to expand and intensify bonds. The Indian diaspora comprises an important instrument of India's soft power⁶.

Conclusion

India and ASEAN account for about 30 per cent of the global population (i.e., 1.85 billion people) and a combined GDP of approximately USD 5.1 trillion. Together, they would form the third largest economy in the world. Given their combined clout, it is but natural for them to expand their areas of collaboration particularly in view of the rapidly changing and uncertain global and regional scenario. Originally conceived as an economic initiative in 1991, this engagement has evolved in terms of geographical expanse and sectoral reach across the three pillars of politico-security, economic and socio-cultural cooperation. Besides geographical proximity, historical commonalities, cultural affinities and commercial interests, India's AEP has been driven by geo-strategic concerns as well.

Despite the progress made over the last 25 years in India-ASEAN ties, there remains immense scope for further growth in the relationship. This is one of the most dynamic regions of the world today, and it is necessary for both India and ASEAN to actively collaborate to shape the so-called 'Asian century'.

⁶ The India-ASEAN partnership at 25, IDSA, by- Ashok Sajjanhar

Highlights of the "Delhi Declaration of the ASEAN-India Commemorative Summit" to mark the 25th Anniversary of ASEAN-India Dialogue Relations

1. Further strengthen and deepen the ASEAN-India Strategic Partnership for mutual benefit, across the whole spectrum of political-security, economic, socio-cultural and development cooperation.
2. Continue to exert efforts and cooperate towards the full, effective and timely implementation of the Plan of Action to Implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity (2016-2020).
3. Further enhance high-level engagement and cooperation within the existing framework of the ASEAN-India Dialogue Partnership and ASEAN-led mechanisms.
4. Continue to support and contribute to ASEAN integration and ASEAN Community building process, towards the realisation of the ASEAN Community Vision 2025.
5. Reaffirm ASEAN commitment to work closely together on *common regional and international security issues* of mutual concern
6. Reaffirm the importance of maintaining and promoting peace, stability, *maritime safety and security*, freedom of navigation and overflight in the region, and other lawful uses of the seas and unimpeded lawful maritime commerce and to promote peaceful resolutions of disputes, in accordance with universally recognised principles of international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS)
9. Deepen cooperation in *combating terrorism* in all its forms and manifestations, violent extremism and radicalisation through information sharing, law enforcement cooperation and capacity building.
10. Support the implementation of the *Langkawi Declaration* on the Global Movement of Moderates to promote peace, security, upholding rule of law, sustainable and inclusive development, equitable growth and social harmony.
11. Further strengthen ASEAN-India economic relations, including through the full utilisation and effective implementation of the ASEAN-India *Free Trade Area*, and intensify efforts in 2018 toward the swift conclusion of a modern, comprehensive, high quality, and mutually beneficial Regional Comprehensive Economic Partnership (RCEP).
12. Cooperate on the promotion of the *civilisational and historical links* between ASEAN and India by providing platforms for knowledge exchanges among policy-makers, managers, and the academicians concerned with tangible and intangible cultural heritage; intensify efforts to preserve, protect and restore cultural and historical symbols

PIB 25th Jan 2018

Annexure-'B'

Trade Figures of ASEAN (last three years)⁷			
In US D Million			
Country	2013-2014	2014-2015	2015-2016
<i>BRUNEI</i>	796.05	882.87	582.46
<i>CAMBODIA</i>	154.03	160.49	197.44
<i>INDONESIA</i>	19598.5	19047.96	15908.76
<i>LAO PD RP</i>	89.29	152.59	217.97
<i>MALAYSIA</i>	13427.81	16934.29	12790.64
<i>MYANMAR</i>	2182.68	2004.78	2052.47
<i>PHILIPPINES</i>	1810.59	1818.62	1910.81
<i>SINGAPORE</i>	19273.03	16933.83	15027.97
<i>THAILAND</i>	9043.47	9330.71	8519.34
<i>VIETNAM SOC REP</i>	8036.19	9261.23	7830.62
Total	74411.64	76527.37	65038.48

⁷ TRADE BETWEEN INDIA AND ASEAN COUNTRIES LOK SABHA QUESTION NO. 3518 (08TH AUGUST, 2016)