

## **OVERVIEW**

### **ASEAN-INDIA DIALOGUE RELATIONS**

#### **Introduction**

1 ASEAN-India dialogue relations have grown rapidly from a sectoral dialogue partnership in 1992 to a full dialogue partnership in December 1995. The relationship was further elevated with the convening of the ASEAN-India Summit in 2002 in Phnom Penh, Cambodia. Since then the ASEAN-India Summit has been held annually. All these took place in a decade, which clearly signifies the importance of the dialogue partnership to ASEAN and India and the progress made in the cooperation. At the ASEAN-India Commemorative Summit held on 20 December 2012 in New Delhi, India, the Leaders adopted the ASEAN-India Vision Statement and declared that the ASEAN-India Partnership stands elevated to a Strategic Partnership.

#### **Political and Security Cooperation**

2 Since India became a Dialogue Partner of ASEAN, the collaboration has transcended the realm of functional cooperation to cover political and security dimensions. India participates in a series of consultative meetings with ASEAN under the ASEAN-India Dialogue Relations, which include Summit, ministerial meetings, senior officials meetings, and meetings at experts level, as well as through dialogue and cooperation frameworks initiated by ASEAN, such as the ASEAN Regional Forum (ARF), the Post Ministerial Conference (PMC) 10+1, the East Asia Summit (EAS), Mekong-Ganga Cooperation and Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC), which help contribute to enhancing regional dialogue and accelerating regional integration.

3 In demonstrating its commitment and shared interest to ensuring peace, security, stability and development in Southeast Asia, India acceded to the Treaty of Amity and Cooperation in Southeast Asia (TAC) on 8 October 2003 during the 2<sup>nd</sup> ASEAN-India Summit in Bali, Indonesia. At the same occasion, ASEAN and India also signed a Joint Declaration for Cooperation in Combating International Terrorism, symbolising concrete initiatives to step up cooperation in the fight against terrorism.

4 As a reflection of the interest of ASEAN and India to intensify their engagement, the ASEAN-India Partnership for Peace, Progress and Shared Prosperity, which sets out the roadmap for long-term ASEAN-India engagement, was signed at the 3<sup>rd</sup> ASEAN-India Summit on 30 November 2004 in Vientiane, Lao PDR. A Plan of Action (2004-2010) was also developed to implement the Partnership. The 7<sup>th</sup> ASEAN-India Summit held in October 2009 also noted with satisfaction the steady progress of implementation of the ASEAN-India Partnership for Peace, Progress and Shared Prosperity. The Summit also agreed on a new and more enhanced phase of the Plan of Action to implement the said Partnership in order to seize the opportunities and overcome the challenges arising from the global financial crisis and evolving political and economic landscape. Subsequently, the new ASEAN-India Plan of Action for 2010-2015 was developed and adopted by the Leaders at the 8<sup>th</sup> ASEAN-India Summit in October 2010 in Ha Noi.

5 ASEAN and India marked the 20<sup>th</sup> anniversary of their Dialogue Relations in 2012 with a Commemorative Summit held in India on 20 December 2012. A number of commemorative activities were carried out to signify the expanding and deepening of the Dialogue Partnership.

6 In this connection, the ASEAN-India Eminent Persons group (EPG) was established to take stock of ASEAN-India relations over the past 20 years, explore ways to widen and deepen existing cooperation between ASEAN and India, as well as recommend measures to further strengthen ASEAN-India relations in the future, taking into account existing documents signed/adopted by both sides, as well as key ASEAN documents, particularly the ASEAN Charter, Roadmap for an ASEAN Community, the three Blueprints of the ASEAN Community and other relevant documents. The Report of the AIEPG was submitted to the 10<sup>th</sup> ASEAN-India Summit in November 2012 in Phnom Penh, Cambodia. In this regard, the Leaders tasked the Ministers to consider the report thoroughly and to implement the key recommendations where appropriate.

7 Following the entry into force of the ASEAN Charter, and based on the strong foundation of the ASEAN-India Dialogue Relations, India has accredited its Resident Ambassador to ASEAN based in Jakarta, currently H.E. Suresh K. Reddy, particularly to work closely with the Committee of Permanent Representatives to ASEAN (CPR) and the ASEAN Secretariat. As an illustration of the intensification of the ASEAN-India Strategic Partnership, India established a separate Diplomatic Mission to ASEAN, which was

inaugurated in April 2015 by H.E. Smt. Sushma Swaraj, External Affairs Minister of India.

## **Economic Cooperation**

8 Volume of trade and investment flows between ASEAN and India remained relatively low compared with other dialogue partners of ASEAN. Between 1993 and 2003, ASEAN-India bilateral trade grew at an annual rate of 11.2%, from US\$ 2.9 billion in 1993 to US\$ 12.1 billion in 2003. At the 10<sup>th</sup> ASEAN-India Summit in November 2012, the Leaders set the target of US\$100 billion by 2015 for ASEAN-India trade.

9 The total trade between ASEAN and India slightly decreased by 0.29 per cent, from US\$67.9 billion in 2013 US\$67.7 billion in 2014. Foreign direct investments (FDI) from India fell by 41 per cent from US\$1.33 billion in 2013 to only around US\$ 820 million in 2014.<sup>1</sup>

10 Acknowledging this trend and recognising the economic potential of closer linkages, both sides recognised the opportunities for deepening trade and investments, and agreed to negotiate a framework agreement to pave the way for the establishment of an ASEAN-India Free Trade Area.

11 At the 2<sup>nd</sup> ASEAN-India Summit in 2003, the Leaders signed the ASEAN-India Framework Agreement on Comprehensive Economic Cooperation. The Framework Agreement laid a sound basis for the establishment of an ASEAN-India Free Trade Area (FTA), which includes FTA in goods, services and investment.

12 ASEAN and India signed the ASEAN-India Trade in Goods (TIG) Agreement in Bangkok on 13 August 2009 after six years of negotiations. The signing of the ASEAN-India Trade in Goods Agreement paves the way for the creation of one of the world's largest free trade areas (FTA) - market of almost 1.8 billion people with a combined GDP of US\$ 4.6 trillion. The ASEAN-India FTA will see tariff liberalisation of over 90% of products traded between the two dynamic regions. Tariffs on over 4,000 product lines will be eliminated by 2016, at the earliest. The ASEAN-India TIG Agreement entered into force on 1 January 2010.

13 During the 10<sup>th</sup> ASEAN-India Summit in November 2012, the ASEAN-India Leaders tasked their economic ministers to step up their efforts and

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<sup>1</sup> ASEAN Trade Statistics Database as of June 2015.

flexibility to conclude the ASEAN-India Trade in Services and Investment Agreements at the earliest. Subsequently, an announcement on the conclusion of the negotiations on both Agreements was made at the ASEAN-India Commemorative Summit on 20 December 2012. By January 2015, the Agreement has been signed by all ASEAN Member States and India. The Agreement entered into force on 1 July 2015.

14 ASEAN and India are also working on enhancing private sector engagement, including the re-activation of the ASEAN-India Business Council (AIBC), the holding of the first ASEAN-India Business Summit (AIBS) and an ASEAN-India Business Fair and Conclave (AIBFC) held in New Delhi on 2-6 March 2011 with participation of an estimated 500 trade exhibitors, business leaders, practitioners and entrepreneurs from ASEAN and India to showcase their products and services. The 2<sup>nd</sup> AIBF was held at the side-lines of the ASEAN-India Commemorative Summit, in New Delhi on 18-20 December 2012. The events were part of the efforts to stimulate trade and business-to-business interaction.

15 The 14<sup>th</sup> ASEAN Transport Ministers (ATM) Meeting on 6 November 2008 in Makati, Metro Manila, Philippines adopted the ASEAN-India Aviation Cooperation Framework, which will lay the foundation for closer aviation cooperation between ASEAN and India. In 2012, India participated for the first time in the 21<sup>st</sup> ASEAN Land Transport Working Group (LTWG) Meeting. During the Meeting, India presented her initiatives for enhanced cooperation on ASEAN Action Plan, covering various sectors such as land transport, maritime transport, border management, customs, immigration, logistics and safety and Public Private Partnership (PPP).

16 The India–Myanmar–Thailand Trilateral Highway Project and its extension to Laos and Cambodia is one of current proposed projects to achieve greater ASEAN-India physical connectivity. The project is planned to connect the ASEAN Highway Network with the highway system in eastern India.

17 In tourism, the number of visitor arrivals from India to ASEAN in 2013 was 2.95 million, an increase of 3.7 per cent from 2.84 million 2012<sup>2</sup>. The 2<sup>nd</sup> Meeting of ASEAN and India Tourism Ministers (ATM+India) held on 25 January 2010 in Bandar Seri Begawan supported the establishment of the ASEAN Promotional Chapter for Tourism (APCT) in Mumbai, India as an important collaborative platform for ASEAN National Tourism Organisations (NTOs) to market Southeast Asia to the Indian consumers and, at the same

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<sup>2</sup> ASEAN Tourism Statistics Database as of May 2015.

time, create mutual awareness between ASEAN Member States and India. The registration of APCT and its activities commenced in 2011.

18 To further enhance tourism collaboration between ASEAN and India through concrete activities, during the 3<sup>rd</sup> ATM+India held on 12 January 2012 in Manado, Indonesia, the ASEAN and India Tourism Ministers signed the Memorandum of Understanding (MoU) between ASEAN and India on Strengthening Tourism Cooperation, which would serve as the key instrument for more action-oriented cooperation, encouraging both parties to cooperate in facilitating travel and tourist visits and further strengthen the close tourism partnership. The Ministers also welcomed the ASEAN-India Car Rally. This Rally, held from 26 November – 21 December 2012, marked another meaningful step forward in ASEAN-India tourism cooperation and at the same time reflected the existence of land route connectivity that would facilitate tourism exchange between ASEAN and India.

19 Further on connectivity, the 10<sup>th</sup> ASEAN-India Summit welcomed the establishment of India's Inter-Ministerial Group on Connectivity and encouraged regular exchanges between the Group and the ASEAN Connectivity Coordinating Committee (ACCC) to explore concrete ways and means to support the MPAC, in particular in areas where India has strong expertise and interest. The 1<sup>st</sup> ASEAN-India ACCC Meeting was held in Balikpapan, Indonesia. The Meeting served in providing a format for expeditious exchange of information to facilitate decision making on broad project proposals and ideas mentioned in the numerous studies on ASEAN-India Connectivity.

20 Significant developments can also be seen in the cooperation in the agriculture and forestry sector as ASEAN and India have successfully held the first and second ASEAN-India Ministerial Meeting on Agriculture and Forestry on 8 October 2011 in Jakarta, Indonesia and on 17 October 2012 in New Delhi, India, respectively. The Ministers adopted the Medium Term Plan of Action for ASEAN-India Cooperation in Agriculture (2011-2015) with the view to promoting and intensifying cooperation in the agriculture and forestry sector between ASEAN and India, in order to meet the challenges of food security, to exchange information and technology, to cooperate on research and development projects, to encourage agriculture and forestry-related industries, and to strengthen human resources development. A number of cooperative activities in this areas have been carried out, most notably the ASEAN-India Agri-Expo and the Symposium on Indo-ASEAN Export Potential of Agriculture Products that were organised on 17 – 19 October 2012 and 18 October 2012, respectively, in New Delhi; publication of the regular edition of

the ASEAN-India Newsletter on Agriculture and Forestry since 2012; ASEAN-India Farmers Exchange Programme; and the Conference of Heads of Agriculture Universities and Research Institutions of India and ASEAN organised on 18-21 February 2013 in New Delhi.

### **Socio-Cultural Cooperation**

21 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, food security, climate change, energy and Initiative for ASEAN Integration (IAI). All cooperation projects are funded by the ASEAN-India Fund (AIF) and ASEAN-India Green Fund (AIGF).

22 Cooperation in these areas are carried out through the implementation of the Plan of Action (PoA) to Implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity, which was adopted by the Leaders at the 3<sup>rd</sup> ASEAN-India Summit in November 2004 in Vientiane. The PoA is carried out through activities under the various existing ASEAN sectoral work plans, Declarations concluded between ASEAN and India, as well as priority activities under the Roadmap for an ASEAN Community 2009-2015 that could be implemented with India.

23 India is also actively contributing to the implementation of the IAI Work Plan with the implementation of some of the IAI projects/activities, such as the Entrepreneurship Development Centres (EDC) and the Centres for the English Language Training (CELT) in Cambodia, Lao PDR, Myanmar and Viet Nam. India also positively considering the establishment of a CELT in Indonesia.

24 In continuing to promote people-to-people contacts to foster ASEAN-India relations at the peoples level, ASEAN and India maintain to organise programmes/activities that have been on-going annually, namely ASEAN-India Students Exchange Programmes, Special Course for ASEAN Diplomats, and Delhi Dialogue, as well as the on-going programme such as ASEAN-India Media Exchange Programme, ASEAN-India Young Farmers Exchange Programme and the ASEAN-India Network of Think-Tanks.

25 Pursuant to the announcement by the Prime Minister of India during the 6<sup>th</sup> ASEAN-India Summit held in November 2007, the ASEAN-India Green Fund

with an initial contribution of US\$ 5 million 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. In addition, the ASEAN-India S&T Development Fund with an initial fund of US\$ 1 million was established to encourage collaborative R&D and technology development between ASEAN and India. In 2007, India made a contribution of US\$ 1 million to the ASEAN Development Fund (ADF).

26 The ASEAN Leaders also welcomed the announcement made by Prime Minister Manmohan Singh to allocate, during the period of ASEAN Work Plan, US\$ 50 million to the ASEAN-India Cooperation Fund and the ASEAN Development Fund in support of the above initiatives, as well as IAI programme and projects in the areas of education, energy, agriculture and forestry, SMEs and implementation of the ASEAN ICT Master Plan.

27 Based on the ASEAN-India Vision Statement adopted by the Commemorative Summit in November 2012, ASEAN and India launched the ASEAN-India Centre located in Research and Information System for Developing Countries (RIS) in New Delhi to promote, among others, trade, investment, tourism and cultural exchanges. ASEAN and India are currently discussing the modalities of the Centre.

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