

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 13th ASEAN-India Summit held in Kuala Lumpur on 21 November 2015, the ASEAN Leaders welcomed India's initiative, namely the "Act East Policy" and noted that the initiatives could complement ASEAN Community building efforts. In that regard, the ASEAN Leaders encouraged India to work with ASEAN to realise the vision and goals outlined in the ASEAN 2025: *Forging Ahead Together*.

2 The Plan of Action (POA) to Implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity (2016-2020) was adopted by the Foreign Ministers of ASEAN and India at the PMC Plus One Session with India on 5 August 2015 in Kuala Lumpur, Malaysia to succeed the Plan of Action (POA) developed to implement the Partnership for the period from 2010 to 2015. The POA 2016-2020 spells out and sets the course of joint actions, practical cooperation and concrete projects and activities. The POA 2016-2020 comprises broad areas, namely political and security, economic, socio-cultural cooperation, connectivity and Initiative for ASEAN Integration and Narrowing the Development Gap. Projects and activities conducted under the POA 2016-2020 include annual meetings/visits, seminars/workshops, training courses and exchange programmes.

Political and Security Cooperation

3 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 and senior officials meetings, and meetings at experts level, as well as 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.

4 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 2nd ASEAN-India Summit in Bali, Indonesia. On 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.

5 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 3rd 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 7th 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 8th ASEAN-India Summit in October 2010 in Ha Noi.

6 ASEAN and India marked the 20th 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. 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, and to recommend measures to further strengthen ASEAN-India relations in the future.

7 ASEAN and India are commemorating the 25th Anniversary of their Dialogue Relations in 2017 with a number of meaningful celebratory events, including high-level meetings, business conclaves and Expo, youth and cultural festivals, car rally, sailing expedition, among others.

8 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

9 The 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 per cent, from US\$ 2.9 billion in 1993 to US\$ 12.1 billion in 2003. In 2016 the total two-way trade was recorded US\$58.45 billion, a negative growth by 2.7 per cent from that of the previous year of US\$60.05 billion. During the same period, foreign direct investments (FDI) flow from India to ASEAN increased by 9.4 per cent from US\$0.96 billion in 2015 to US\$1.05 billion in 2016.¹

10 At the 2nd 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.

11 The ASEAN-India Trade in Goods Agreement (AITIGA) entered into force on 1 January 2010. The signing of the AITIGA on 13 August 2009 in Bangkok paves the way for the creation of one of the world's largest free trade areas (FTA) with almost 1.8 billion people and a combined GDP of US\$4.5 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. Furthermore, to ensure that the AITIGA remains trade facilitative and relevant to current global trading practices, ASEAN and India have had constructive discussions on how to progress with the planned review of the AITIGA, pursuant to the Scope of the Review of the Agreement that was previously endorsed at the 12th AEM-India Consultations in August 2015 in Kuala Lumpur, Malaysia.

12 During the 10th ASEAN-India Summit in November 2012, the ASEAN-India Leaders tasked their economic ministers to step up their efforts and flexibility to conclude the ASEAN-India Trade in Services and Investment Agreements at the earliest. Upon being signed by all Parties in 2014, the Agreements entered into force on 1 July 2015.

13 ASEAN and India are also working on enhancing private sector engagement, including through the re-activation of the ASEAN-India Business Council (AIBC) and the holding of the first ASEAN-India Business Summit (AIBS) and an ASEAN-India Business Fair and Conclave (AIBFC) in New Delhi on 2-6 March 2011, which saw with participation of an estimated 500 trade exhibitors, business leaders, practitioners and entrepreneurs from ASEAN and India. The 2nd 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.

14 The 14th 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

¹ ASEAN Trade and FDI Statistics Database as of July 2017.

ASEAN and India. In 2012, India participated for the first time in the 21st 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). The India–Myanmar–Thailand Trilateral Highway Project and its extension to Laos and Cambodia was one of current proposed projects to achieve greater ASEAN-India physical connectivity. The project was planned to connect the ASEAN Highway Network with the highway system in eastern India.

15 In tourism, the number of visitor arrivals from India to ASEAN in 2015 was 3.3 million, an increase of 7.49 per cent from 3.07 million 2014². The 2nd 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 time, create mutual awareness between ASEAN Member States and India.

16 To further enhance tourism collaboration between ASEAN and India through concrete activities, during the 3rd 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 implementation of the MoU is carried out through several activities, including participation of tourism stakeholders in travel marts, tourism exhibitions and festivals in ASEAN and India, as well as the establishment of ASEAN-India Crisis Communication Team.

17 Pursuant to the announcement by the Prime Minister of India during the 6th 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 (AISTDF) 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). The Ministry of External Affairs, Government of India has announced that it has enhanced the AISTDF from US\$ 1 million to US\$ 5 million effective 2016.

18 Further on connectivity, the 10th 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 1st ACCC-India

² ASEAN Tourism Statistics Database as of July 2017.

Meeting was held in Balikpapan, Indonesia in June 2013 and the 2nd ACCC-India Meeting was held in Nay Pyi Taw, Myanmar in September 2014. The Meetings served as venues to take stock of the developments in the implementation of the Master Plan on ASEAN Connectivity (MPAC) adopted in 2010, to discuss India's current and future support for ASEAN Connectivity, and to deliberate on ideas and recommended measures to support the implementation of MPAC 2010. The MPAC 2025 which succeeds MPAC 2010 was adopted at the 28th ASEAN Summit in Vientiane, Lao PDR in September 2016. Existing and emerging funding vehicles and initiatives are identified that could support sustainable infrastructure developments in ASEAN which includes India's offer of a line of credit to ASEAN Member States for projects that support physical and digital connectivity.

19 In the areas of agriculture and forestry, cooperation between ASEAN and India has been enhanced further by focusing on addressing challenges of food security and climate change through capacity building, agricultural education, and research and development. The Medium Term Plan of Action (POA) for ASEAN-India Cooperation in Agriculture and Forestry (2016-2020) was endorsed at the 4th ASEAN-India Ministerial Meeting on Agriculture and Forestry (AIMMAF), held in January 2018 in New Delhi, India. Both sides were encouraged to focus on the implementation of the POA, particularly on (i) Networking and cooperation between government authorities concerned, (ii) Investment, capacity building, sharing of information, experience and best practices, research and development, agricultural technology, management and innovation, (iii) Cooperation in implementing the ASEAN Integrated Food Security (AIFS) Framework, the Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS) 2015-2020 (iv) Enhanced resilience of natural systems and improve the adaptive capacities of human communities to cope with environmental hazards, and (v) Climate change and its adverse impacts on socio-economic development, health and the environment in ASEAN and India.

Socio-Cultural Cooperation

20 Over the years, ASEAN-India socio-cultural cooperation has been expanded to include human resource development, people-to-people contacts, education, health and pharmaceuticals, biodiversity, climate change, disaster management, and Initiative for ASEAN Integration (IAI). All cooperation projects are funded by the ASEAN-India Fund (AIF) and ASEAN-India Green Fund (AIGF).

21 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.

22 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 regularly, namely ASEAN-India Students Exchange Programmes, Special Course for ASEAN Diplomats, and Delhi Dialogue, International Conference on ASEAN-India Cultural and Civilizational Links,

ASEAN-India Media Exchange Programme, ASEAN-India Young Farmers Exchange Programme, ASEAN-India Youth Summit and the ASEAN-India Network of Think-Tanks.

