

By Invitation

# Asean and India: Building bridges to the future

India and South-east Asia are already connected to each other by geography, history and culture. There is great potential to strengthen these links through greater trade flows and better connectivity, including in cyberspace.



Tommy Koh

For The Straits Times

Something unusual happened at India's 69th Republic Day Parade, in New Delhi, on Jan 26 this year.

Usually, the parade would have one chief guest, such as Emeritus Senior Minister Goh Chok Tong in 1994. On this occasion, however, Prime Minister Narendra Modi invited the 10 leaders of Asean to be the joint chief guests.

On the previous day, India and Singapore co-chaired an Asean-India Commemorative Summit, to celebrate the 25th anniversary of ties. The summit adopted the Delhi Declaration, with its commitment to deepen and strengthen ties in many areas.

The relationship between Asean and India can be described as warm, substantive, comprehensive and trouble-free. There is a high comfort level in the relations between the leaders of the two sides.

The relationship is supported by mutual trust and goodwill. It is also anchored on commerce, connectivity and culture.

## COMMERCE

Asean and India are important economic partners. Asean has a market of 630 million consumers. India has a market of 1.25 billion

consumers. Asean is growing at about 6 per cent a year. India is growing at about 7 per cent.

India is the world's fastest growing large economy. Asean is the world's seventh-largest economy and could become the fourth-largest by 2030.

India could be the world's third-largest economy, after China and the United States, by 2050. At present, the Asean economy (US\$2.6 trillion or S\$3.4 trillion) is slightly larger than the Indian economy (US\$2.26 trillion).

Asean and India have a free trade agreement. Two-way trade has expanded from US\$2.9 billion in 1993 to US\$58.4 billion in 2016.

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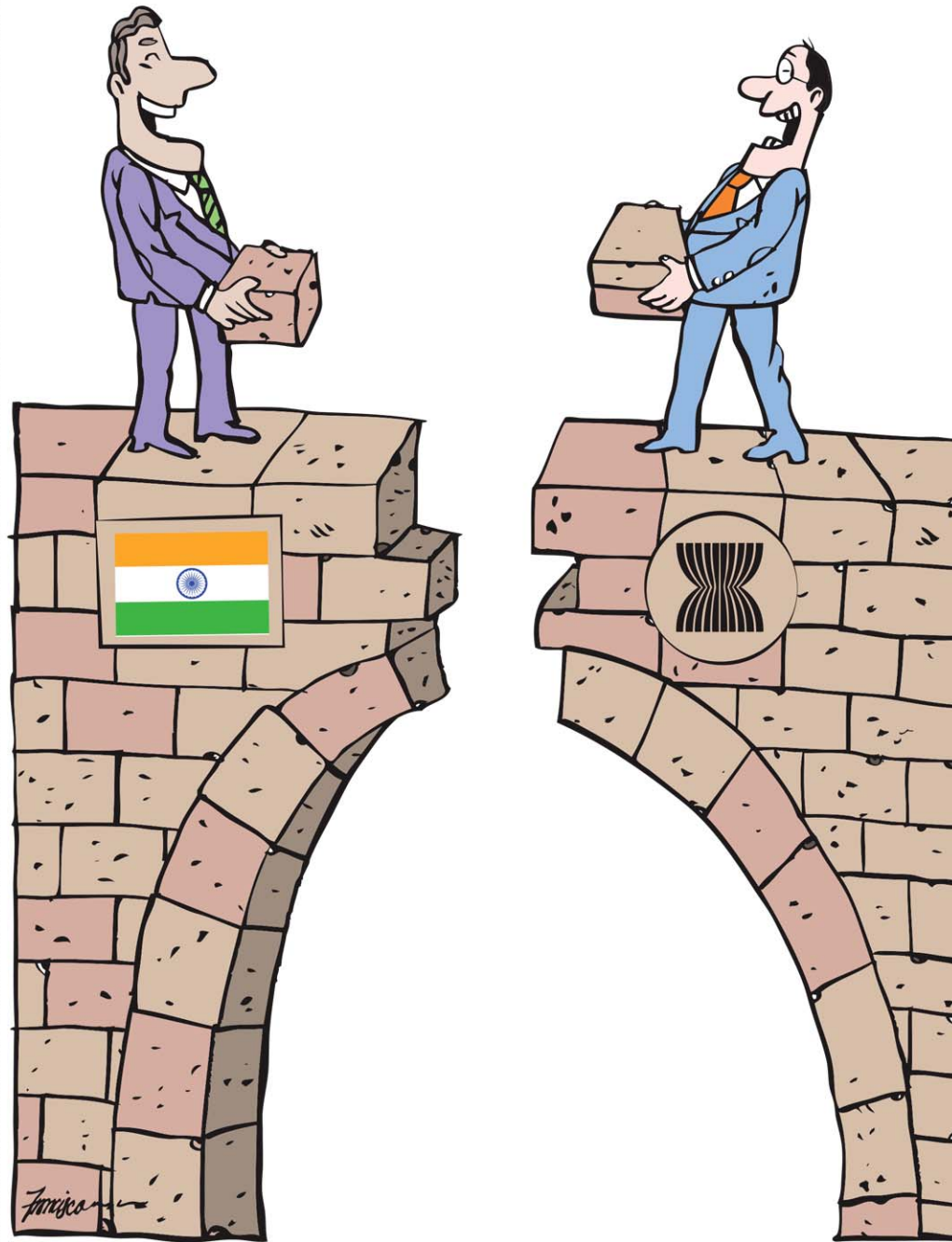
There is, however, room for growth as India accounts for only 2.8 per cent of Asean's external trade.

At present, Asean and India, together with China, Japan, South Korea, Australia and New Zealand, are negotiating a mega free trade agreement called the Regional Comprehensive Economic Partnership Agreement or RCEP.

At the commemorative summit, Asean's leaders appealed to Mr Modi to help conclude the negotiations this year.

India is hesitant for two reasons. It fears that RCEP will worsen India's trade deficit with China. The feeling in New Delhi is that India has opened its market to Chinese exports but China has not reciprocated.

The second concern is that trade in services should be liberalised in tandem with trade in goods. I hope for movement in New Delhi. India's



leaders should remember that trade is strategy.

Investment is another important area of engagement. India's foreign direct investment in Asean has been growing.

In the period 2010 to 2016, India invested US\$14,364 million in Asean.

Asean's investment (mostly from Singapore) has also been growing. It is the second-largest investor in India, after Mauritius. India has over 6,000 companies in Singapore.

Tourism is also growing. In 2015, over three million Indians visited Asean. In the same year, over seven million tourists from Asean visited India.

## CONNECTIVITY

We want to promote greater connectivity between Asean and India on land, at sea, in the air and in cyberspace.

First, the land connection. In 2004, Asean and India held the first Asean-India car rally.

A group of enthusiastic drivers set off from North-East India and drove through Myanmar, Thailand, Laos, Vietnam, Cambodia, Malaysia and Singapore and, by ferry, to the

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Indonesian island of Batam.

The successful car rally reminds us of the geographic links between India and South-east Asia. India is already promoting this land corridor which will also bring investment and development to

North-East India.

The maritime connections between Asean and India are longstanding. I refer to Professor Sugata Bose's excellent book, *A Hundred Horizons*, as my authority. It is in the interest of both sides to augment their maritime infrastructure and to enhance the shipping links between them.

India is keen to enhance maritime cooperation with Asean. At the commemorative summit, Mr Modi put forward several proposals for Asean's consideration.

The air connections between Asean and India have also grown exponentially. For example, there are more than 400 flights a week between Singapore and Indian cities. There are 200 flights a week between India and Malaysia and Thailand.

There are, however, no direct flights between India and some Asean countries.

Asean would like to conclude the Asean-India Air Transport Agreement expeditiously. This will boost tourism and will enable Asean and Indian airlines to seize opportunities with new and emerging markets.

We would also like to connect Asean and India digitally.

India's Aadhaar system can facilitate digital connections among the 1.25 billion citizens of India. Asean wants to do the same with its 630 million citizens.

If we can connect the two populations digitally, this will be a boon, for e-commerce, e-payment and financial technology.

India intends to build 100 smart cities. Singapore is helping Andhra Pradesh to build its new capital, Amaravati, which will be both a smart and sustainable city.

Asean intends to create a network of smart cities. There is much scope for cooperation and mutual learning.

Finally, the two sides should also cooperate to develop an ecosystem, similar to that in the Silicon Valley, to promote new ideas, new technology and new business.

## CULTURE

India and South-east Asia are connected to each other by geography, history and culture.

The Indian Ocean connects India with several Asean countries, namely, Myanmar, Thailand, Malaysia, Singapore and Indonesia. They belong to the Indian Ocean Rim Association (IORA). IORA's agenda is to promote peace and cooperation, sustainability and the blue economy.

Historically, relations between India and South-east Asia go back 2,000 years. The peoples of the two regions have been trading with one another for centuries. Professor Anthony Reid's excellent book, *South-east Asia In The Age Of Commerce*, captures part of that story.

The cultural connections between India and South-east Asia are deep and broad. Hinduism and Buddhism came to South-east Asia from India. The Indian languages Sanskrit and Pali have influenced the scripts of several of the region's languages. Indian literature, court rituals, food and fashion have been assimilated into the region's culture.

Angkor Wat, Bagan, Borobudur and Prambanan were inspired by Hinduism and Buddhism.

India's influence lives on in contemporary South-east Asia. For example, the national carrier of Indonesia is called Garuda, a legendary bird found in Hindu, Buddhist and Jain mythology.

Garuda is the vehicle of the Hindu God, Vishnu. The great Indian epic, *Ramayana*, is read and performed in all the Asean countries. I invite readers to visit the beautiful Indian Heritage Centre in Singapore.

I believe that, for all the reasons given above, the Asean-India relationship will grow from strength to strength.

The Delhi Declaration contains a list of sectors for future cooperation.

Prime Minister Lee Hsien Loong has written that "if both sides use our historical and cultural links to tackle today's challenges and build bridges for the future, our youth and next generation stand to gain the most".

Mr Modi has said that "in Delhi, Asean and India renewed their pledge for the journey ahead".

stopinion@sph.com.sg

• The writer is Ambassador-at-Large in Singapore's Ministry of Foreign Affairs and a professor of law at the National University of Singapore.