



## India-ASEAN: Partners for Progress

*This editorial is based on “[India with Indonesia: on ancient ties to a new phase](#)” which was published in The Hindu on 27/01/2025. The article brings into picture the deepening cultural and strategic ties between India and ASEAN, with Indonesia’s Republic Day participation reflecting enhanced cooperation in maritime security and regional stability amid growing geopolitical challenges.*

**For Prelims:** [India and ASEAN](#), [Bandung Conference](#), [South China Sea](#), [Indo-Pacific Oceans Initiative](#), [SAGAR \(Security and Growth for All in the Region\)](#), [India’s Act East Policy](#), [Digital Public Infrastructure](#), [Unified Payments Interface](#), [International Solar Alliance](#), [Regional Comprehensive Economic Partnership](#), [Special economic zones](#)

**For Mains:** Key Areas of Convergence Between India and ASEAN, Key Areas of Friction Between India and ASEAN.

**Indonesia’s** participation in India’s Republic Day celebrations reflects the deep-rooted cultural and strategic ties between [India and ASEAN](#). As ASEAN’s largest economy and a key G20 member, Indonesia exemplifies India’s broader engagement with the region, particularly in maritime security and economic cooperation. From the [Bandung Conference to BRICS](#), India-ASEAN ties have evolved from **anti-colonial solidarity to a strategic partnership** aimed at ensuring regional stability in the face of shifting geopolitical dynamics, including **China’s Indo-Pacific assertiveness**.

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# ASEAN

Association of Southeast Asian Nations



## How India-ASEAN Relations Have Evolved Over Time?

- **Early Engagement: Historical and Cultural Ties**
  - **Ancient Trade and Cultural Links:** Indian influence on Southeast Asia through **Buddhism, Hinduism, and Sanskrit** (e.g., **Angkor Wat, Ramayana traditions**).
    - Flourishing trade routes linked India with Southeast Asian kingdoms.
  - **Colonial Era and Anti-Colonial Struggles:** Shared struggle against colonial rule; **India supported Indonesia's independence**.
    - **Bandung Conference (1955):** Marked India's engagement with newly independent Asian and African nations.
- **Post-Independence Period: Limited Interaction (1950s-1980s)**
  - **Non-Alignment and Regional Priorities:** India's focus on domestic issues and **Cold War non-alignment policy** led to limited ASEAN engagement.
  - **Minimal Economic and Strategic Cooperation:** India's inward-looking economy

restricted trade and investment.

- **ASEAN prioritized engagement with Western economies** majorly the United States.

▪ **Post-Cold War: Economic and Strategic Engagement (1990s-2000s)**

- **Look East Policy:** Launched after economic liberalization to strengthen ties with Southeast Asia.
  - India became a **Sectoral Dialogue Partner** of ASEAN in 1992, **Full Dialogue Partner** in 1996 and Summit-level Partner in 2002.
- **Early Trade and Security Agreements: ASEAN Trade in Goods Agreement (2009)** boosted trade and investment.
  - **India-ASEAN Trade in Services Agreement (2015)** further boosted economic ties.
- **Strengthening Strategic Partnership (2011-Present)**
  - **Act East Policy (2014):** Expanded **Look East** to focus on deeper political, economic, and security ties.
    - India upgraded relations with ASEAN to a **Strategic Partnership** in 2012.
    - Also, in November 2022, they upgraded their relationship to a **Comprehensive Strategic Partnership (CSP)**.
  - **15th ASEAN-India Summit (2017):** Security and economic cooperation in the maritime domain was prioritized.
    - Proposal for joint naval exercises and fleet review with ASEAN navies.
    - Announcement of ASEAN-India Startup Festival and Pravasi Bharatiya Divas..
  - **India-ASEAN Plan of Action (2016-2020):** Signed at the 3rd ASEAN-India Summit in 2004; the **current iteration was adopted in 2015**.
    - 70 out of 130 activities implemented, covering trade, security, and cultural cooperation.
  - **Financial Mechanisms Supporting India-ASEAN Cooperation**
    - **ASEAN-India Fund (2016):** \$50 million to support the Plan of Action.
    - **ASEAN-India Science & Technology Fund (2015):** Increased to \$5 million.
    - **ASEAN-India Green Fund (2007):** \$5 million for climate change adaptation projects.
    - **ASEAN-India Project Development Fund:** Rs. 500 crore SPV to facilitate investments.

## What are the Key Areas of Convergence Between India and ASEAN?

- **Maritime Security & Indo-Pacific Cooperation:** India and ASEAN share concerns over **China's assertiveness in the [South China Sea](#)**, making maritime security a key area of cooperation.
  - India supports **ASEAN centrality in the Indo-Pacific** and has increased joint naval exercises and capacity-building initiatives.
  - India's **[Indo-Pacific Oceans Initiative \(IPOI\)](#)** aligns with **ASEAN's Outlook on the Indo-Pacific (AOIP)**, focusing on freedom of navigation and regional stability.
  - **[India's SAGAR \(Security and Growth for All in the Region\)](#)** doctrine also complements ASEAN's maritime objectives.



- **Trade and Economic Integration:** ASEAN is India's **fourth-largest trading partner**, and India-ASEAN trade has grown significantly in the last decade.
  - The [India-ASEAN Free Trade Agreement \(FTA\)](#) is being reviewed to address trade imbalances and enhance supply chain resilience.
  - [India's Act East Policy](#) focuses on deeper integration with ASEAN economies through **digital trade, fintech, and regional value chains**.
    - India's [Unified Payments Interface \(UPI\)](#) and Singapore's [PayNow](#) are now officially connected allowing for "real-time payment linkage."
  - ASEAN also benefits from India's emerging role as a **manufacturing hub amid China+1 strategies**.
- **Connectivity & Infrastructure Development:** India and ASEAN seek **greater physical and digital connectivity** to enhance economic ties and regional integration.
  - In 2017, India committed **\$1 billion in credit** for ASEAN connectivity and maritime projects.
  - The [India-Myanmar-Thailand Trilateral Highway](#) and [Kaladan Multimodal Transit](#)



**Project** aim to link India's Northeast with Southeast Asia.

- **Digital infrastructure** and **5G collaboration** are also emerging areas of focus
- **Defense and Counterterrorism Cooperation:** India and ASEAN have intensified **defense cooperation through military training, joint exercises, and intelligence sharing**.
  - Terror threats from **radical extremism in Southeast Asia** and India's concerns over **cross-border militancy in the Northeast** make counterterrorism a shared priority.
  - Defense exports, including **BrahMos missiles to the Philippines**, signal a shift towards deeper military ties.
  - India's defence exports **surged by 78% in the first quarter of FY 2024-25**, with **ASEAN as a key market**.
- **Energy Security & Green Transition:** Both India and ASEAN are pushing for **renewable energy cooperation, reducing fossil fuel dependency, and expanding clean energy investments**.
  - India's **International Solar Alliance (ISA)** aligns with **ASEAN's Clean Energy Pathway**.
  - ASEAN nations are also exploring **nuclear energy**, where India can offer expertise in **thorium-based reactors**.
- **Space & Technology Collaboration:** India's advancements in **space technology, AI, and digital governance** present a strong area of cooperation with ASEAN.
  - ASEAN nations are keen on leveraging **ISRO's satellite capabilities** for disaster management and telecommunication.
    - ISRO is helping ASEAN set up a **Regional Satellite Tracking Station in Vietnam**.
  - India's **Digital Public Infrastructure (DPI)** model, including **Aadhaar and UPI**, offers a template for ASEAN's fintech expansion.
- **Tourism & Cultural Diplomacy:** India and ASEAN share **centuries-old cultural and religious linkages**, including **Buddhism and Hinduism**.
  - Strengthening people-to-people ties through **visa liberalization, spiritual tourism, and cultural exchanges** can boost engagement.
  - Increased direct flights and tourism infrastructure development can further enhance connectivity.
  - **Indonesia's Ramayana Ballet and Thailand's Ayutthaya city which is known as the "Ayodhya of Thailand"** celebrate shared heritage.
- **Geopolitical Cooperation & Multipolarity:** India and ASEAN are key players in **regional stability, balancing US-China tensions**.
  - Both emphasize a **rules-based order in the Indo-Pacific**, avoiding military bloc politics while **strengthening multilateralism** through **BRICS, EAS, and G20**.
    - India also backed ASEAN's **Five-Point Consensus on the Myanmar Crisis** .

## What are the Key Areas of Friction Between India and ASEAN?

- **Trade Imbalance & RCEP Withdrawal:** India has a **trade deficit of over \$43 billion with ASEAN**, raising concerns over market access and unfair trade practices.
  - India withdrew from the **Regional Comprehensive Economic Partnership (RCEP)** in 2019, citing concerns over **Chinese goods flooding its market through ASEAN nations**.
  - India has called for **FTA renegotiation** to address tariff asymmetry and non-tariff barriers, but progress remains very slow.
- **Slow Progress in Connectivity Projects:** Despite strategic importance, India's connectivity projects with ASEAN face delays due to **funding issues, political instability, and bureaucratic bottlenecks**.
  - The **India-Myanmar-Thailand Trilateral Highway** has been repeatedly postponed due to slow execution and **unrest in Myanmar**.
  - Similarly, the **Kaladan Multimodal Project**, crucial for India's Northeast connectivity, has suffered from security concerns and lack of progress.
    - These delays impact **India's credibility in regional infrastructure development**.
- **Limited Defense Cooperation & ASEAN's China Tilt:** While India and ASEAN conduct military

exercises, ASEAN's **divergent security priorities and reluctance to counter China directly** limit deeper defense engagement.

- Most ASEAN nations are hesitant to align with India's Indo-Pacific vision due to **economic dependence on China**.
- ASEAN has not strongly supported India's stance on **freedom of navigation in the South China Sea**.
- In 2023, **trade between ASEAN and China reached a record high of USD 702 billion**, while ASEAN-India bilateral trade stood at merely USD 122.67 billion during 2023-24, highlighting ASEAN's economic reliance on China.
- **Differences in Indo-Pacific Strategy:** India promotes an **open and inclusive Indo-Pacific** with a focus on **ASEAN centrality**, but ASEAN countries remain divided on openly endorsing India's strategic goals.
  - While **Vietnam and the Philippines** support India's stronger Indo-Pacific presence, others like **Cambodia** prefer **neutrality to avoid antagonizing China**.
  - This limits India's ability to build a unified Indo-Pacific strategy with ASEAN as a whole.
- **Myanmar Crisis and Divergent Political Stances:** India and ASEAN differ on their **approach to Myanmar's political crisis** following the 2021 military coup.
  - ASEAN has pushed for **diplomatic engagement through its [Five-Point Consensus](#)**, while India has maintained **pragmatic ties with Myanmar's junta** due to **border security and connectivity interests**.
  - This has created friction, as some ASEAN members view India's approach as **inconsistent with democratic principles**.
  - India handed over **military hardware to Myanmar's junta in 2022**, while ASEAN imposed restrictions.
- **Digital Trade & Data Protection Issues:** India and ASEAN differ on **data localization, cybersecurity, and digital trade regulations**, slowing fintech and e-commerce expansion.
  - ASEAN prefers a **liberal digital trade regime**, while India enforces **data sovereignty rules** (e.g., **restrictions on cross-border data flow under [India's Digital Personal Data Protection Act, 2023](#)**).
  - This has created **regulatory mismatches** affecting businesses in **fintech, e-commerce, and AI collaborations**.
    - India's **UPI linkage with Singapore (2023)** is an exception but remains **limited to bilateral agreements**.

## What Measures can be Adopted to Strengthen India-ASEAN Relations?

- **Fast-Track Connectivity Projects for Economic Integration:** Accelerating the completion of the **India-Myanmar-Thailand Trilateral Highway** and **Kaladan Multimodal Project** will improve physical connectivity and trade.
  - Establishing **special economic zones (SEZs) along the corridor** can attract investment and manufacturing, reducing ASEAN's overdependence on China.
  - India should engage ASEAN in **Public-Private Partnership (PPP) models** to overcome delays in execution.
  - Strengthening air and maritime links, especially with **Indonesia, Vietnam, and the Philippines**, will further boost trade and tourism.
- **Strengthen the India-ASEAN Free Trade Agreement (FTA):** Revising the **India-ASEAN FTA** to address India's **trade deficit and non-tariff barriers (NTBs)** will enhance economic cooperation.
  - India should push for **sector-specific agreements** in **electronics, pharmaceuticals, and green energy** where it has a competitive edge.
  - ASEAN nations must ensure **better market access for Indian goods**, particularly in **services, agriculture, and digital trade**.
  - Mutual recognition agreements (MRAs) for skilled professionals will facilitate **greater labor mobility** and knowledge exchange.
    - India must ensure ASEAN removes **discriminatory palm oil import tariffs** hurting Indian exporters
- **Co-Develop Critical and Emerging Technologies:** Instead of relying on tech imports, India and ASEAN should focus on **joint development in AI, quantum computing, and semiconductor fabrication**.

- India's **Digital Public Infrastructure (DPI) model** (Aadhaar, UPI) can be adapted for ASEAN fintech ecosystems, ensuring digital sovereignty.
- ASEAN can be pursued to invest in India's [semiconductor mission](#), reducing dependence on China-Taiwan supply chains.
- India should push for **joint space collaborations** through ISRO for disaster management and communication satellites.
- **Expand Maritime Security and Defense Collaboration:** India should deepen maritime security cooperation through **expanded naval exercises, intelligence sharing, and joint patrolling**.
  - Strengthening India-ASEAN **Coast Guard Cooperation** can help counter piracy, illegal fishing, and drug trafficking in the Indo-Pacific.
  - ASEAN nations should be encouraged to buy **Indian defense equipment** (e.g., BrahMos missiles) under **favorable financing models**.
  - Establishing an **India-ASEAN Indo-Pacific Security Forum** can create a structured mechanism for strategic dialogue.
- **Foster Supply Chain Resilience through Co-Manufacturing:** India should integrate ASEAN into its [Production-Linked Incentive \(PLI\) scheme](#), encouraging ASEAN firms to set up **manufacturing bases in India**.
  - Co-developing **alternative supply chains in semiconductors, rare earth elements, and pharmaceuticals** will reduce China's dominance.
  - ASEAN nations can be part of India's [Supply Chain Resilience Initiative \(SCRI\)](#) with Japan and Australia, creating diversified trade networks.
- **Expand Renewable Energy and Climate Cooperation:** India should lead ASEAN in **green hydrogen, solar power, and biofuels**, reducing dependence on fossil fuels.
  - Establishing **India-ASEAN Green Energy Parks** will promote joint investments in **solar and wind power generation**.
  - Facilitating technology transfers for **EV battery production and carbon trading mechanisms** will align with ASEAN's net-zero goals.
- **Promote Cultural and People-to-People Exchanges:** Enhancing cultural diplomacy through **mutual visa liberalization, direct flight connectivity, and educational collaborations** will strengthen ties.
  - Establishing **India-ASEAN scholarships, student exchange programs, and Buddhist tourism circuits** will foster greater socio-cultural engagement.
  - India can support ASEAN's **digitization of ancient manuscripts and historical archives** to preserve **shared civilizational heritage**.
  - The **Nalanda University ASEAN Fellowship** can be expanded for cultural research programs.

## Conclusion:

India-ASEAN relations have evolved significantly from **historical and cultural ties to a comprehensive strategic partnership**. Despite challenges such as trade imbalances and differences in defense priorities, both sides have strengthened cooperation. Moving forward, **addressing connectivity gaps, boosting trade, and fostering people-to-people exchanges** will be crucial. India's proactive engagement with ASEAN offers opportunities for deeper collaboration.

### **Drishti Mains Question:**

India's Act East Policy has strengthened India-ASEAN relations, but challenges remain in achieving deeper economic and strategic integration. Discuss in light of recent developments.

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### **Prelims**

**Q1. India is a member of which among the following? (2015)**

1. Asia-Pacific Economic Cooperation
2. Association of South-East Asian Nations
3. East Asia Summit

**Select the correct answer using the code given below:**

- (a) 1 and 2 only
- (b) 3 only
- (c) 1, 2 and 3
- (d) India is a member of none of them

**Ans: (b)**

**Q2. Consider the following countries: (2018)**

1. Australia
2. Canada
3. China
4. India
5. Japan
6. USA

**Which of the above are among the 'free-trade partners' of ASEAN?**

- (a) 1, 2, 4 and 5
- (b) 3, 4, 5 and 6
- (c) 1, 3, 4 and 5
- (d) 2, 3, 4 and 6

Ans: (c)

**Q3. The term 'Regional Comprehensive Economic Partnership' often appears in the news in the context of the affairs of a group of countries known as (2016)**

- (a) G20
- (b) ASEAN
- (c) SCO
- (d) SAARC

Ans: (b)

**Q4. In the Mekong-Ganga Cooperation, an initiative of six countries, which of the following is/are not a participant/ participants? (2015)**

1. Bangladesh
2. Cambodia
3. China
4. Myanmar
5. Thailand



Select the correct answer using the code given below:

- (a) 1 only
- (b) 2, 3 and 4
- (c) 1 and 3
- (d) 1, 2 and 5

**Ans: (c)**

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**Mains**

**Q.** Evaluate the economic and strategic dimensions of India's Look East Policy in the context of the post-Cold War international scenario. (2016)

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