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India ASEAN Relations – On the Upswing

Amb. Ashok Sajjanhar

President, Institute of Global Studies,
Former Ambassador of India to Kazakhstan, Sweden and Latvia,
Former Secretary/Principal Executive Officer, National Foundation for Communal Harmony.

Prime Minister Narendra Modi participated in the 11th East Asia and 14th India-ASEAN Summit in Vientiane, Laos on 7-8 September, 2016. This was Modi's fourth substantive tour to the South-East Asian region since he assumed office in May, 2014. Out of the three earlier visits, two were in connection with the East Asia and India-ASEAN Summits: first, to Naypyidaw, Myanmar in Nov, 2014 when he declared the launch of the ambitious "Act East Policy" and second, to Kuala Lumpur, Malaysia in November last year. He combined his visit to Malaysia last year with a bilateral visit to that country as also with a bilateral visit to Singapore to mark the 50th anniversary of establishment of bilateral diplomatic relations and to set in motion the strategic partnership with that important country. His third visit was to Vietnam earlier this month en route to Hangzhou, China for the G20 Summit. Deliberations on bilateral and regional issues in Hanoi were designed to send a subtle message to China. His Vietnam tour witnessed the signature of a slew of 12 Agreements to further enhance and strengthen ties in diverse areas including defence, trade and economy, strategic partnership, culture, people to people contacts and development cooperation.

In Vientiane, Modi took off from where he had left in Hangzhou, China for the G20 Summit. He had told his host President Xi Jinping during his bilateral meeting in China that "to ensure durable bilateral ties, and their steady development, it is of paramount importance that (both countries) respect each other's aspirations, concerns and strategic interests." He also advised that the issue of terrorism should not be viewed through the prism of politics. In the G20 plenary session, Modi said that countries which support and fund terrorism should be isolated and sanctioned by the world community rather than being rewarded. Without mentioning Pakistan by name, Modi said that a single country in South Asia is spreading terror in India and the region.

In Laos, some of the major themes highlighted by Modi in his Address at the East Asia and India-ASEAN Summit as well as in his bilateral meetings with several world leaders included unified and coordinated fight against terrorism, radicalisation and extreme violence.

Before leaving for Laos, Modi underscored the importance of ASEAN as a key partner in India's Act East Policy which is vital for security and economic development of the country's North-eastern region. He asserted that strategic partnership with ASEAN is vital for safeguarding and promoting India's security interests and countering traditional and non-traditional security challenges in the region. Modi emphasised the importance of physical and digital connectivity, need to enhance people to people links, "strengthen institutional linkages and leverage the modern interconnected world for mutual benefit of people in the region."

Timing of the Summit was crucial as it came in wake of Award by the Permanent Court of Arbitration (PCA) at The Hague on complaint of Philippines against activities and assertions of claims by China in the South China Sea (SCS). Verdict of PCA was comprehensively against China leading China to flex its muscles and indulge in bellicose and intimidatory statements and actions. Change of leadership in Philippines from Benigno Aquino to the maverick, mercurial Duterte increased unpredictability and complicated matters. In addition to Philippines (and Taiwan), China is mired on opposite side in this raging dispute with Vietnam, Malaysia and Brunei over ownership, freedom of navigation and use of resources in SCS.

Regarding India's interests in this issue, SCS is a busy waterway through which 50 % of India's foreign trade passes. India has also been undertaking exploration at the invitation of Vietnam in the latter's Exclusive Economic Zone for undersea deposits of oil and gas. India and several other countries including USA have advocated freedom of navigation, maritime security, full compliance with international laws particularly the United Nations Convention on Law of the Sea (UNCLOS), peaceful resolution of the dispute and expeditious framing of Code of Conduct in SCS.

Obama put the dispute at the center of Summit deliberations when he said that the 12th July PCA ruling against China was binding and "helped to clarify maritime rights in the region." He acknowledged that the PCA verdict had raised tensions but said that it was necessary to discuss how to move forward, lower strains, "promote diplomacy and regional stability." Japanese Prime Minister, Shinzo Abe, also expressed concern about "China's increasing muscular claims to disputed maritime territory" and the "continuing attempts to change unilaterally the status quo in the East and South China Sea."

The draft final communique has sought to play down the SCS issue with a mild rebuke for China which can be seen as some sort of victory for it. No reference was made to the 12th July ruling PCA although concern over recent developments in the South China Sea, respect for

international laws, freedom of navigation and over flights and peaceful settlement of dispute did find their way in the Statement. The tepid reference to the issue would be a matter of some satisfaction for China. This was facilitated by Philippines who said before the Summit that they will not press the issue.

According to an un-named US administration official, China pulled out all stops to block any reference to the words "recent activities," "serious concern," "reclamation," "militarization," "loss of trust" and "need to respect legal processes," but failed as all these phrases made it into the statement. Though Beijing was unable to get its allies in ASEAN to block the statement, they did manage to avoid an explicit reference to the tribunal's 12th July ruling which the Philippines was willing to concede.

President Duterte had sent messages for improving relations with China since he took office in June, 2016. He however raised the pitch at the Summit by claiming that China was in the process of undertaking heavy construction activity on several islands in SCS .

During the India-ASEAN and East Asia Summits, Modi underscored the salience of India's Act East Policy and said that engagement of India with ASEAN is driven by common priorities, bringing peace, stability and prosperity to the region. He announced hosting a Commemorative Summit on "Shared Values, Common Destiny" in 2017 in India to mark the 25th anniversary of establishment of India's dialogue partnership with ASEAN. Without naming either of the two neighbours of India, he upbraided both of them, first by targeting Beijing's muscle-flexing in the South China Sea with a veiled criticism saying that "the threat or use of force to resolve disputes would complicate matters affecting peace and stability" and then seeking "strongest action" against state-sponsors of terrorism to hit out at Islamabad. Steeping up his attack on Pakistan, he referred to it as a country "whose competitive advantage rests solely in producing and exporting terrorism". He declared that time had "come for us to stop this global exporter of terror."

In recent weeks, India has intensified its criticism of Pakistan, holding it responsible of inciting protests in Kashmir, while ties with China have been tense over Beijing's blocking of New Delhi's entry into the Nuclear Suppliers Group and its "technical hold" on designating Jaish-e-Mohammad chief Azhar Masood as a terrorist by the UN. China is also wary of India's growing presence in the South China Sea.

In addition to participating in the two Summits, Prime Minister Modi utilized the opportunity to have bilateral meetings with several world leaders including President Obama, President of Korea, Prime Ministers of Japan and Laos, State Counsellor and Foreign Minister of Myanmar Aung San Suu Kyi.

In their meeting, Obama reiterated US's strong support for India's NSG membership bid. They also discussed priorities in their strategic partnership including deepening civil nuclear cooperation, solar energy, innovation and combating climate change. They discussed ways to further enhance bilateral cooperation in diverse areas. This was their eighth and possibly their last official meeting before Obama demits office in January, 2017.

In his consequential meeting with the de facto leader of Myanmar Aung San Suu Kyi Modi assured her that India will always stand by Myanmar in its journey towards peace, security, reconciliation and development. It was the first meeting between the two leaders since Aung San Suu Kyi's National League for Democracy came to power in Myanmar in March 2016. External Affairs Minister Sushma Swaraj had met her during her one day visit to Naypyidaw on 22nd August, 2016. Myanmar President U Htin Kyaw paid a momentous visit to India in last week of August, his first visit abroad after assuming office. This provided a big boost to bilateral partnership. Suu Kyi will be visiting India for the BRICS-BIMSTEC Summit outreach meeting on 15th-16th October in Goa.

In his meeting with South Korean President, both countries reviewed their bilateral strategic partnership which had been upgraded to Special Strategic Partnership last year and discussed ways to boost cooperation in key areas including counter- terrorism and maritime security in the region. They reviewed progress in the negotiations to improve India-ROK Comprehensive Economic Partnership Agreement (CEPA) besides discussing the USD 10 billion financial package announced by South Korea for India's infrastructure development. President Park appreciated the Korea Plus programme initiated by Modi and said it would lead to further investments in India by Korean firms.

ASEAN is a strategic partner of India since 2012. India and ASEAN have 30 dialogue mechanisms which meet regularly, including a Summit and 7 Ministerial meetings in Foreign Affairs, Commerce, Tourism, Agriculture, Environment, Renewable Energy and Telecommunications. Trade between India and ASEAN stood at USD 65.04 billion in 2015-16 and comprises 10.12 per cent of India's total trade with the world. The ASEAN-India economic integration process has got a fillip with the creation of the ASEAN-India Free Trade Area in July 2015, following the entry of the ASEAN-India Trade in Services and Investment Agreements. India-ASEAN relations will receive a significant impetus once the negotiations on the Mega Trading Arrangement Regional Comprehensive Economic Partnership (RCEP) are concluded in the near future.

Prime Minister Modi's two day participation in the East Asia and India-ASEAN Summit have significantly advanced India's interests, standing and profile in the region and the world through his interventions in the Summits as well as through his wide-ranging parleys with a number of world leaders.