

India-ASEAN Economic Relations: From Look East to Act East Policy

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ABSTRACT

India commemorated its 30 years of dialogue, 20 years of summit-level interaction, and 10 years of a strategic partnership with ASEAN in 2022. The paper covers India-ASEAN economic relations: From Look East to Act East Policy. India's policy toward South East Asia, which assumed a distinctive form in early 1990 in the form of the Look East Policy, has been a multifaceted strategy encompassing political, strategic, and economic aspects. In 2014, with the adoption of the Act East Policy, India sought to expand those ties to include deeper security cooperation and defense partner as well. Act East Policy's main objectives are to support India's economic development and growth as well as to increase its influence in the region. Both countries' relationship, however, is mostly focused on their economic cooperation and the difficulties they each face.

Introduction

The Association of South-East Asian Nations (ASEAN) is a regional intergovernmental organization established by the countries of South-East Asia with the goal of fostering regional peace and security while accelerating economic growth, social advancement, and cultural development. The Indonesian capital Jakarta serves as the headquarters. The ASEAN includes Brunei, Cambodia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam as members. Australia, Canada, China, the European Union, Japan, New Zealand, Russia, the Republic of Korea, and the US are ASEAN's dialogue partners. English is the ASEAN's official language. "One vision, one identity, one community" is the organization's motto. The language of ASEAN is English.¹ Its Motto is "one vision, one identity, one community".

At the height of US participation in Vietnam, Indonesia, Singapore, Malaysia, the Philippines and Thailand founded ASEAN on August 8, 1967, with the goal of fostering regional economic and security development.

¹ Rajaram, Kalpana, *International Organizations Conferences and Treaties*, New Delhi: Spectrum Books Pvt. Ltd, 2003, p. 278.

Since the founding members wished to reduce manipulation and hegemony by powerful nations, particularly the US and China, external dangers played a significant role in ASEAN's inception and continued to exist. The founding members of ASEAN were well aware of the significant historical, cultural, and economic factors that separated them, but they also understood the benefits of routine consultation and cohesion. They were also concerned about separatist movements and communist insurgencies that were supported by China, but they purposefully decided against forging a military alliance.²

Vietnam joined ASEAN in July 1995, whereas Brunei joined the organization in January 1984, immediately after gaining its independence. Three further nations were asked to join as well; though their heads of government attended the fifth ASEAN Summit as invited guests in December 1995, Myanmar and Laos joined in 1997, and Cambodia joined in 1999. However, by the end of 1995, none of these nations had joined. To hasten South East Asia's economic, social, and cultural growth, ASEAN was founded.³ In 2022 ASEAN has agreed in principle to admit East Timor as the group's eleventh member.

INDIA-ASEAN ECONOMIC RELATIONS

Southeast Asia has access to valuable minerals and raw materials because of nature. Southeast Asia is a key region for global power because of the region's abundance of raw materials. Raw materials include things like crude petroleum, tin concentrates, gold, copper, nickel, coal, antimony ore, bauxite, and chrome ore. Because they export large quantities of rice to East Asian nations that are in need, Burma, Thailand, and Vietnam have long been referred to as the "rice bowl" of Asia. South East Asia is responsible for over 60% of the world's tin production and 90% of its natural rubber, with Indonesia and Malaya standing out as top producers. Indonesia and Borneo are the source of about 2.5% of the world's crude oil production.⁴

History of India ASEAN Relations

India was hesitant to participate in ASEAN activities since at the time of its founding, ASEAN was seen as an anti-communist organization. India was not wanted to participate in any of the ASEAN countries' activities. Only after the conclusion of the cold war, when India launched the Look East Policy and became a sectoral

² Karns, Margaret P & Mingst, Karen A., *International Organization: The Politics and Processes of Global Governance*, Lynne Rienner Publishers Inc., 2009, p. 191.

³ Khanna, V.K. (1996). *International Relation*. Vikas Publishing House Pvt. Ltd. P390.

⁴ Schleicher, Charles P., *International Relation Cooperation and Conflict*, New Delhi: Prentice Hall of India Pvt. Ltd., 1962, p. 558.

partner in 1992, did the relationship between India and ASEAN start to strengthen. In 1995, India joined the complete dialogue, and since 2002, it has also been a summit partner. At the 2012 summit, the connection between India and ASEAN was upgraded to a Strategic Partnership.

INDIA-ASEAN RELATIONS FROM LOOK-EAST POLICY

The Look East Policy was formally introduced by the P.M. P.V. Narsimha Rao administration in 1991. The Look East Policy is a liberal economic and geopolitical initiative by India to create greater and more intense economic ties with its neighbors to the east. In order to establish India's North East as a center of economic activity, the Policy was followed with the goals of utilizing underutilized advantages of trade with East Asian nations and connecting it to the dynamic East and South East Asian nations.⁵

Rajiv Sikhri claims that this is where India's Look East Policy sees the Northeast region—not as a part of India's periphery, but as the hub of a thriving, integrated economic space connecting two dynamic regions—with a network of highways, railways, pipelines, and transmission lines crisscrossing the area. Currently, the Northeast conducts border trade with its surrounding nations, much of which is illegal. But the Look East Policy seeks to remove the trade impediments that are currently in place and to make a seamless, legal trade route choice possible.⁶

The Look East Policy initially placed a lot of emphasis on ASEAN. India's deliberate attempts to develop stronger commercial links with ASEAN member nations paid off; bilateral relations with ASEAN quickly strengthened.⁷

As a "sectoral dialogue partnership" with ASEAN, which began in 1992, has grown into a full dialogue partnership, which was formalized in 1995 as ASEAN+1. As a result, India now regularly attends ASEAN summits and is a member of ASEAN+4 (Japan, South Korea, China, and India). India also attended the first ASEAN Regional Forum in July 1996, which is attended by significant countries in Asia and the Pacific, including the United States.⁸

⁵ Pradhan, Ramakrishna, "Look East Policy and North East of India: Developmental Prospects and Problems", *World Focus*, Vol. XXXY, No. 6, June 2014, p. 83.

⁶ Pradhan, Ramakrishna, "Look East Policy and North East of India: Developmental Prospects and Problems", *World Focus*, Vol. XXXY, No. 6, June 2014, p. 83.

⁷ Haokip, Thongkholal, "India's Look East Policy", *Third Concept*, Vol. 25, No. 291, May 2011, p. 7.

⁸ Mehrotra, Lakhan, "India's Look East Policy: Its origin and Development", *India Foreign affairs Journal*, Vol. 7, No. 1, Jan-March 2012, p. 77.

In November 2002, Phnom Penh hosted the inaugural ASEAN-India summit. India's Look East Policy's initial phase was ASEAN-centric and primarily concentrated on trade and investment ties. With ASEAN serving as its central hub, the second phase, which started in 2003, is more extensive in its scope, reaching from Australia to East Asia. The new phase heralds a shift in the emphasis from trade to broader economic and security cooperation, political relationships, and physical connectivity through road and rail linkages.⁹

The purpose of the Bali Framework Agreement on Comprehensive Economic Cooperation between ASEAN and India, which was agreed in October 2003, is to fully use the RTIA between ASEAN and India. The ASEAN-India Framework Agreement strengthens already-existing bilateral and multilateral agreements in the region and marks a turning point in the economic connections that unite the two regions. At the bilateral level, India has already begun to develop Free Trade Agreements (FTAs) with Thailand and Singapore. The fact that India and Singapore signed the Comprehensive Economic Cooperation Agreement (CECA) in July 2005 is also significant because it paved the path for India's future economic integration with the region. The India ASEAN Framework Agreement's ability to increase the possibility of deeper economic integration with the region is its most important feature. This Framework Agreement would cover investments, trade facilitation measures, and commodities and services.¹⁰

ASEAN regional forum

India joined the ASEAN Regional Forum (ARF) in 1996, which aims to foster goodwill, resolve disputes, and engage in preventive diplomacy. India had been an active participant in the ARF and collaborated with ASEAN in a number of areas, including search and rescue, sea piracy, and disaster assistance, all of which helped to improve the ARF procedure. In order to further advance regional peace and security, India joined ASEAN's Treaty of Amity and Cooperation (TAC) in October 2003. India is a member of ASEAN's inner circle and shares its core values of non-interference, respect for one another's territorial integrity and sovereignty, and peaceful conflict resolution. India was elevated to this position by the signing of the TAC.¹¹

⁹ Haokip, Thongkholal, "India's Look East Policy", *Third Concept*, Vol. 25, No. 291, May 2011, p. 8.

¹⁰ Sundararaman, Shankari, "ASEAN Relations: Search for Opportunities in a Shifting Regional Scenario", *World Focus*, Vol. XXVIII, No. 11 & 12, Nov-Dec. 2007, p. 428.

¹¹ Jha, Ganganath, *India and South East Asia: Introspection for Future Partnership*, Delhi: Anamika Publishers, 2010, p. 47.

Comprehensive Economic Cooperation Agreement

In recognition of the need to further promote and facilitate their cooperation and utilize the greater business opportunities provided by the India-ASEAN RTIA, India and the ten ASEAN member countries signed the India-ASEAN Framework Agreement on Comprehensive Economic Cooperation (CECA) in Bali. CECA (Comprehensive Economic Cooperation Agreement) is a precursor in achieving the stated long-term objective of an India-ASEAN Regional Trade and Investment Area (ATIA). The East Asian economies' efforts to form a trade bloc that may at least partially offset the distortions brought about by the NAFTA and the EU27 trading blocs in the western hemisphere have progressed thanks to the India-ASEAN CECA.¹²

India-ASEAN Trade from 1996 to 2003

Year	Export	Import	Total Trade	Balance of Trade
1996-1997	2,902.45	2,934.00	5,836.45	-31.55
1997-1998	2,464.78	3,396.44	5,861.22	-931.66
1998-1999	1,629.89	4,317.38	5,947.27	-2,687.49
1999-2000	2,237.50	4,629.16	6,866.66	-2,391.66
2000-2001	2,913.78	4,147.48	7,061.26	-1,233.7
2001-2002	3,457.01	4,387.22	7,844.23	-930.21
2002-2003	4,618.54	5,150.17	9,768.71	-531.63
Total	20,223.95	28,961.85	49,185.8	-8,737.9

Source: <https://tradedat.commerce.gov.in/eidb/default.asp>.

The trade volume between India and ASEAN between 1996 and 2003 is shown in the above table, with a total value of US\$ 49,185.8 and a trade balance that was negative by US \$ -8737.9 million during that time.

AIFTA, the ASEAN-India Free Trade Agreement, was viewed as a crucial step toward greater economic integration. The deal's original framework was drafted and signed on October 8, 2003, in Bali, Indonesia. The final agreement, which went into force on August 13, 2009, was signed on that same day in Bali. Trade

¹² Singh, Sanjay, *India's Foreign Policy: Changing perspective with special reference to SAARC Countries*, Delhi: Prashant Publishing House, 2015, pp. 219-220.

liberalization, tariff abolition, and reduction on a variety of tariff lines were the key goals of the Trade in Goods (TIG) agreement, which was signed in 2009.¹³

ASEAN-India Business Council and Economic Cooperation Committee

The trade and investment links between ASEAN and India are now being investigated by the ASEAN-India Business Council (AIBC) and ASEAN-India Economic Cooperation Committee (AIECC), and they show significant potential for future collaboration. Trading links with ASEAN nations are growing, but they are not keeping pace with the enormous potential that has been the focus of yearly summit talks between India and ASEAN.¹⁴

East Asia Summit (EAS)

India's involvement in the East Asia Summit (EAS) in 2005 as one of the founding members allowed her to discuss political, security, and economic concerns pertaining to East Asia. The EAS is a special forum run by leaders for the heads of state and government.

EAS is an organization with 18 members, including all 10 ASEAN nations as well as Japan, South Korea, China, India, Australia, New Zealand, the United States of America, and Russia. Energy, education, finance, pandemics, and disaster management are its five main focus areas.¹⁵

The first EAS was held in Malaysia in 2005. India decided to begin a track two research on the Comprehensive Economic Partnership in East Asia (CEPEA) and the Economic Research Institute of ASEAN and East Asia, and it restated its support for ASEAN's pivotal position as the driver behind the region's economic development at the Second EAS Summit (ERIA). The ASEAN and its dialogue partners have a free trade and regional trade cooperation agreement called the CEPEA. The ERIA is a research organization that does detailed mapping of current ASEAN+1 FTAs and bilateral FTAs and makes recommendations for policy changes aimed at establishing a regional comprehensive economic partnership (RCEP). In a variety of policy sectors, including trade and investment and small and medium-sized businesses, the ERIA also supports regional efforts for economic integration (SME). The

¹³ Asher, Mukul G. & Sen, Rahul, "India-East Asia Integration: A win for Asia", *Economic & Political Weekly*, Vol. 40, No. 36, 2020, p. 3936.

¹⁴ Jha, Ganganath, *India and South East Asia: Introspection for Future Partnership*, Delhi: Anamika Publishers, 2010, p. 49

¹⁵ Mehrotra, Lakhan, "India's Look East Policy: Its Origin and Department", *Indian Foreign Affairs Journal*, Vol. 7, No.1, Jan-March 2012, p. 80.

ERIA includes supporting the ASEAN's position as the engine of extensive economic integration, encouraging the establishment of the ASEAN economic community, reducing development gaps, and fostering a stronger feeling of community in East Asia. On November 21st, 2007, Singapore hosted the third EAS. Issuing of the 2010 declaration during the fifth EAS in Hanoi. The sixth EAS was held in Bali on November 19, 2011. From India's vantage point, the urge to support and participate in the EAS was highlighted by obvious geopolitical and financial considerations. India was one of the world's fastest-growing economies in 2013.

India greatly increased its capacity to expand trade with EAS members by entering into bilateral and regional agreements with its trading partners in the region. India's "Look East Policy" is characterized by a larger paradigm change, which is evidenced by India's involvement in the EAS (LEP). In 2014, trade between ASEAN and India was estimated to be worth \$80 billion. Between ASEAN and India, the Framework Agreement on Comprehensive Economic Cooperation Agreement (CECA) was established in 2003. The trade in goods (TIG) was completed in August 2009, and the free trade agreement (FTA) on services and participation was completed by December 2012.¹⁶

India-ASEAN Trade from 2003 to 2014

Year	Export	Import	Total Trade	Balance of Trade
2003-2004	5,821.71	7,433.11	13,254.82	-1,611.4
2004-2005	8,425.89	9,114.66	17,540.55	-688.77
2005-2006	10,411.30	10,883.67	21,294.97	-472.37
2006-2007	12,607.43	18,108.48	30,715.91	-5,501.05
2007-2008	16,413.52	22,674.81	39,088.33	-6,261.29
2008-2009	19,140.63	26,202.96	45,343.59	-7,062.33
2009-2010	18,113.71	25,797.96	43,911.67	-7,684.25
2010-2011	25,627.89	30,607.96	56,235.85	-4,980.07
2011-2012	36,744.35	42,158.84	78,903.19	-5,414.49
2012-2013	33,008.21	42,866.36	75,874.57	-9,858.15
2013-2014	33,133.55	41,278.09	74,411.64	-8,144.54

¹⁶ Arenla, "India and the East Asia Summit", *Indian Foreign Affairs Journal*, Vol. 9, No. 4, Oct-Dec. 2014, pp. 386-390.

Total	219,448.19	277,126.9	496,575.09	-57,678.71
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Source: <https://tradestat.commerce.gov.in/eidb/default.asp>

The aforementioned table shows commerce between India and ASEAN during the Look East phase. Between 2003 and 2014, overall trade between the two countries reached US\$496,575.09; however, the balance of trade was negative US \$ -57678.7 million.

Act East Policy

Prime Minister Narendra Modi revised India's policy in the area at the 12th ASEAN-India Summit in Nya Pyi Taw; as a result, India's "Look East Policy" changed to "Act East Policy" externally in 2015. The Prime Minister emphasised the value of connections between India and ASEAN and frequently used language like "blossoming," "showing results on the ground," and "having reached an exciting stage." The current Narendra Modi government, which was elected with a resounding majority in May 2014, has continued this ardent heritage. High-level visits soon provided proof of the new administration's plan to engage with Southeast Asian nations. Modi's visit to Myanmar is part of India's broader neighbourhood to its foreign policy, as is Foreign Minister Sushma Swaraj's trip to Myanmar, Singapore, and Vietnam. The Look East Policy has changed under the new administration into the "Act East" Policy, which aims to position India with a more forceful approach at the bilateral and subregional levels.¹⁷

Economic Cooperation

Increase efforts in 2018 to hasten the conclusion of a contemporary, thorough, and of the highest calibre. Further deepen economic ties between ASEAN and India, especially by making full use of and effectively implementing the ASEAN-India Free Trade Area. Develop the ASEAN-India Aviation Cooperation Framework, which was adopted at the 14th ASEAN Transport Ministers Meeting in Manila on November 6, 2008, by ASEAN and India. This will include holding air services consultations by the ASEAN-India working groups on regional air services arrangements and establishing air transport cooperation on Technical, Economic and Regulatory issues. Improve aviation connectivity between ASEAN and India by establishing more frequent flights between the two regions to encourage trade and tourism. Develop ICT human resources through the establishment of Centres of Excellence in Software Development and Training (CESDT) in some ASEAN member states, promote ICT

¹⁷ Ganapathi, M., "Look East-Act East Dimension of India's Foreign Policy", *Foreign Affairs Journal*, Vol. 10, No. 1, Jan-March 2015, p. 66.

start-ups, and investigate emerging technologies for adoption in order to improve ICT policies, build capacity, and improve digital connectivity, infrastructure, and services. These efforts should work in harmony with the Master Plan on ASEAN Connectivity 2025 and the ASEAN ICT Master Plan 2020, respectively.

Encourage trade shows to raise brand awareness of ASEAN and India products and services in order to further broaden and deepen economic ties between the two countries. Continue to encourage private sector engagement and strengthen business-to-business ties, including through the ASEAN-India Business Council.¹⁸

Both for ASEAN and ASEAN-India ties, 2017 marked a turning point. While ASEAN commemorated its 50th anniversary. India commemorated the 25th anniversary of the ASEAN-India Dialogue, the 15th anniversary of their summit relationship, and their five-year strategic collaboration. based on the topic of the ASEAN-India partnership's 25th-anniversary celebration.¹⁹

India-ASEAN: Spectrum of relations

India and the ASEAN countries are culturally and historically connected. First Indian Prime Minister Jawaharlal Nehru invited Sukarno, who spearheaded Indonesia's fight against Dutch colonialists, as a special guest on January 26, 1950.²⁰

All ten countries were invited to India for the first time in its history on Republic Day. The historic attendance of 10 Heads of State or Government of the Association of South East Asian Nations (ASEAN) as joint chief guests at India's 69th Republic Day Parade at Rajpath in New Delhi on January 26, 2018, and the ASEAN-India commemorative summit 2018 that took place in New Delhi on January 25–26, 2018.²¹

ASEAN-India 22nd Annual Meeting

¹⁸ Sarin, Vishal, *25 Years of India-ASEAN Economic Co-operation*, New Delhi: New Century Publications, 2019, pp. 48-54.

¹⁹ Ministry of External Affairs, Government of India, Annual report 2017-2018, Source: <https://www.mea.gov.in> Accessed on March 3, 2020.

²⁰ www.india.com. Accessed on July 8, 2020

²¹ Fortune Institute of International Business, New Delhi, Magazine, Vol. LV, No.7, Jan 2019, p. 169.

On July 16, 2020, a meeting was conducted. Virus Covid-19 caused this to be available online. In a number of domains, both parties agreed to increase their cooperation. Vijay Thakur Singh, the deputy foreign minister of India, was present. India values ASEAN and is in favour of the group playing a key role in regional architecture. ASEAN and India decided to expand their relationships in a number of areas, including commerce, investment, and economics, during the conference. They both agreed to work to increase bilateral trade to \$200 billion by 2022. He recommended that ASEAN and India continue to make significant contributions to the creation of a multilateral trading system that is open, free, equal, and based on rules, facilitate the liberalization of trade and investment, and encourage companies to make the most of the ASEAN-India free trade agreement in order to support bilateral trade and investment in the face of challenges to the regional and global economies.²²

India's Stands on Regional Comprehensive Economic Partnership (RCEP)

The Regional Comprehensive Economic Partnership (RCEP) trade has been confirmed to remain open for India despite Prime Minister Narendra Modi's refusal to sign it. The RCEP discussions began in 2012 and went into effect on January 1st, 2022. Australia, Brunei Darussalam, Brunei, China, Hong Kong, Japan, Korea, Malaysia, New Zealand, Singapore, Thailand, and Vietnam. The RCEP then went into effect for Malaysia on March 18, 2022, for the Republic of Korea in February 2022, and for Indonesia in January 2023

India-ASEAN Trade (from 2014 to Nov. 2023)

Year	Export	Import	Total Trade	Balance of Trade
2014-2015	31,812.58	44,714.77	76,527.35	-12,902.19
2015-2016	25,133.37	39,909.60	65,042.97	-14,776.23
2016-2017	30,961.62	40,617.31	71,578.93	-9,655.69
2017-2018	34,203.70	47,133.69	81,337.39	-12,929.99
2018-2019	37,473.72	59,321.32	96,795.04	-21,847.6
2019-2020	31,492.51	55,369.81	86,862.32	-23,877.3

²² www.asean2020.un Accessed on 18 July, 2020.

2020-2021	31,485.58	47,420.63	78,906.21	-15,935.05
2021-2022	42,327.58	68,081.43	110,409.01	-25,753.85
2022 – 2023 April- Nov.	29,439.79	60,644.33	90,084.12	-31,204.54
Total	294,330.45	463,212.89	757,543.34	-168,882.44

Source: <https://tradestat.commerce.gov.in/eidb/default.asp>

According to the above table, trade between India and ASEAN peaked during the Act East Policy phase at US\$757,543.34 (2014–Nov. 2023) but the trade balance was significantly negative at US\$168,882.44 million.

In 2022, India and the ASEAN area will commemorate the 30th anniversary of their dialogue relations. The ASEAN-India Friendship Year has been declared for this year. Cambodia will host the 19th ASEAN-India summit in 2022. Both have made the decision to create extensive strategic alliances. Both parties agreed to strengthen their collaboration in the areas of cyber security and counterterrorism while reiterating the significance of maintaining ASEAN's prominence in the Indo-Pacific.

INDIA-ASEAN: CHALLENGES

The trade and investment ties between India and ASEAN have been expanding rapidly, but with this growth has come obstacles and issues that will need to be resolved as the relationship moves further. India and ASEAN both face similar problems.²³

(i) China Factor

Without briefly examining China as a revisionist power in Southeast Asia, it is impossible to study the relationship between India and ASEAN in depth. In the quickly changing geopolitical environment characterized by China's brash military. Ownership, control, use, and exploitation of the South China Sea's mineral, fishery, and energy resources have become a major point of contention between China and a number of ASEAN countries, including Vietnam, the Philippines, Brunei, and Malaysia. India's economy is reliant on the South China Sea, where more than 40% of trade takes place. On a collaborative basis, India is also utilizing fossil fuel resources in this area. However, India's involvement in this region pales in comparison to China's

²³ Kirpa, Sridharan, *The ASEAN region in India's Foreign Policy*, New Delhi: Dartmouth, 1996, P. 205.

hegemony. India must therefore strengthen its relationships with these countries in order to advance maritime security that is based on rules.²⁴

(ii) Security

India places a great emphasis on the relationship between its security and the peace in Southeast Asia's maritime and continental neighbouring areas. This relationship depends on defence cooperation. Joint naval drills and military cooperation can result in strategic alliances with neighbouring nations. Many of these cooperative initiatives, particularly those pertaining to intelligence sharing and improved military ties, have aided in fostering security cooperation. It was decided at the Vietnam Summit that India and ASEAN will work together to address the threat of international terrorism and other transnational crimes.²⁵

(iii) Trade Challenges

India's trade balance with ASEAN countries is negative. This issue can be solved by enhancing domestic economic competitiveness, facilitating trade, and encouraging investment inflows. India should deal with the problem domestically. This issue can also be exponentially resolved by developing infrastructure and encouraging technological advancement.²⁶

Although trade has increased throughout time, there has been an imbalance. Around \$ 107 billion is the trade gap between India and all other RCEP nations. Given that India has a total trade imbalance of about \$ 180 billion, this deficit is incredibly large. This was one of the drivers behind India's inclusion in the RCEP talks.²⁷

(iv) Regional Terrorism

In Southeast Asia in the early and mid-1990s, Al Qaeda established local cells led by an Arab member, offered salvation to agents evading American intelligence services, took use of the region's porous borders, and met to discuss attack plans against the allies of the West. An unsettling atmosphere is created by Al Qaeda's active presence and connections to Islamic Militants in Southeast Asia like Jemaah Islamiyah (JI), the Abu Sayyaf group, and the Moro Islamic Liberation Front (MILF). Threats are widely dispersed, which is a problem for India and ASEAN's

²⁴ <https://www.iasexpress.net> accessed on April 1, 2020 at 1:30 PM.

²⁵ Kaul, Man Mohini, "India's Look East Policy: New Era of India ASEAN Relation in Re whetting Indian's Look East Policy", *Historic India-ASEAN Summit 2020*, Vol. XXXI, No. 10, Oct. 2010, p. 435.

²⁶ <https://www.iasexpress.net>

²⁷ <https://www.drishtias.com>

territorial integrity as well as for internal peace and order. Since tourism is a major source of income for most economies in Southeast Asia, terrorist strikes have a significant impact on the local economy. The risk of dread and fear spreading through society and causing socioeconomic decline exists. The income sector fell by 50% as a result of the 2020 Bali bombing.²⁸

(v) Migration Problem

The Rohingyas from Myanmar are one recent example of the growing problem of illegal migration in Southeast Asia, which is a burden for both India and the ASEAN. This causes India to have severe problems. ASEAN needs a political and legal framework to handle refugee issues if it is to deter illegal immigration.

(vi) Delayed Projects

The Kaladan Multimodal Transit Transport Project and the India-Myanmar-Thailand Trilateral Highway are two of the projects that India has undertaken with Myanmar. The Kaladan Multimodal Transit Transport project will link Kolkata with the Sittwe port in Myanmar, making it easier to transport freight over the sea route between India and Myanmar. They haven't been finished as quickly as China, but; on the other hand, China has been able to win these nations' trust with its BRI. India must give the completion of these projects top priority in order to strengthen its position in this region. Along with aiding India in its efforts to contain China, it also ensures the northeastern part of the country's economic growth and enhances regional connectivity. And this strengthened links with ASEAN countries in terms of trade and tourism. Improving economic and tourism links with the ASEAN countries will be made possible by strong maritime connections. The entire potential of commerce between India and ASEAN may be realized if there is strong marine connectivity between the two blocs of countries. Increasing marine connectivity would result in cheaper logistics and encourage more international trade in goods and services.²⁹

(vii) Maritime Issues

India and ASEAN share the area of the Indian Ocean where it meets the South China Sea to maintain maritime security. The Straits of Malacca, which connect India and Southeast Asia to the Indian Ocean, are extremely important. The international chamber of commerce (ICC) and the international maritime bureau (IMB) claim that from January 2015 to June 2015, 55% of all pirate and armed robbery attacks worldwide occurred in

²⁸ http://www.thejakartapost.com/news/2003/10/16/ten_years_after

²⁹ <https://www.iaseexpress.net>

Southeast Asian waters. With the recent hijacking of small coastal tankers by maritime pirates, Southeast Asia is reportedly the region that experiences the most piracy attacks worldwide. At the same time, the Malacca Strait, which is located in the same region, has seen a significant decline in piracy and pirate attacks as a result of the joint maritime patrol carried out by the ASEAN states of Malaysia, Singapore, and Indonesia, codenamed Malsindo. Maritime piracy is a problem for India and ASEAN, particularly in the commercial sphere because Southeast Asia is one of the busiest sea routes in the world, and a great deal of trade and economic-related activity passes through this region.³⁰

CONCLUSION

The nations of South East Asia came together to join ASEAN, a regional international organization, to further the region's economic, social, and cultural advancement and foster peace and security. The region was disregarded by India after independence despite its historical and cultural ties to South East Asia. However, after the fall of the Soviet Union, the entire international order shifted, posing new problems and opportunities for nations like India. In 1992, India became a sectoral partner and in 1996, a dialogue partner after adopting the Look East Policy. Taking place in Phnom Penh in November 2002, the inaugural ASEAN-India summit. India has previously established Free Trade Agreements (FTA) with Singapore and Thailand. Between 1996 and 2003, total trade between India and ASEAN reached US\$49,185.8, while the trade balance was negative by US\$-8737.9 million. The main goals of the 2009 Commerce in Goods (TIG) agreement was the liberalization of international trade and the removal and reduction of tariffs on various tariff lines. India-ASEAN trade reached US \$ 496,575.09 in total during the Look East Phase (2003–2014), however the trade balance was –57678.7 million over the same time period. Act East Policy was adopted by India in 2014. During the Act East Policy, ASEAN ranks as India's fourth-largest commercial partner. The amount of commerce between India and ASEAN during the Act East Policy phase reached US \$ 757,543.34 with a negative trade balance from April to November of 2022–2023. With these developments, there are numerous problems and difficulties. This region is interested in the big disagreement between China and ASEAN and India over who owns, controls, uses, and exploits the oil, gas, and mineral resources. So, dealing with China in this region is a challenge for both India and ASEAN. The second issue is the stability and security of Southeast Asia's marine and land borders as a whole. India's trade balance with ASEAN countries is negative. This is one of the causes for India's exclusion

³⁰ Banlaoi, Rommel C. (Feb. 20, 2013), *Challenges in India-ASEAN security cooperation*. Speech delivered at the Delhi Dialogue, Feb. 20, 2013.

from the RCEP, and India also caused a delay in the project with the ASEAN countries, which is still ongoing.

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