

## Envisioning the Potential in India-Brunei Relations

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### Summary

*In India's eastward engagement with Southeast Asia under Prime Minister Narendra Modi's 'Act East' policy, the energy-rich maritime country of Brunei Darussalam would be expected to feature prominently. Yet, during Modi's first term in office from 2014 to 2019, India neglected Brunei. Modi has not visited Brunei, despite visiting several Association of Southeast Asian Nations (ASEAN)-member countries, either in a bilateral meet-up or a multilateral summit. Meanwhile, the Sultan of Brunei, Hassanal Bolkiah, has visited India only once to celebrate 25 years of ASEAN-India dialogue relations. India should redress this benign neglect in its relations with Brunei so as to envision the potential in their relations on several fronts: maritime engagement, defence cooperation, economic diplomacy, people-to-people linkages and strategic convergence. India and Brunei should make their bilateral ties more significant in each other's foreign policy.*

### Strategic Convergence

Although bilateral cooperation has been taking place between India and Brunei Darussalam since diplomatic relations were established in 1984, the potential in India-Brunei relations has not been realised to its fullest extent. Should India and Brunei redress this benign neglect in their bilateral relationship, both would be able to mutually benefit. Modi's re-election to a second term in 2019 could pave the way to resuscitate India-Brunei relations as an integral plank of his government's 'Act East' policy to expand India's geostrategic footprint in Southeast Asia in the current decade.

Engaging Brunei is strategically significant to India as it could lend greater intensity and vitality towards the country's determined quest to connect comprehensively with Southeast Asia. This would include engaging constructively with each Association of Southeast Asian Nations (ASEAN)-member country on a sustained bilateral basis.

The focus on maritime countries like Singapore, Indonesia and Malaysia has taken prominence in India's 'Look East' (now 'Act East') policy since 1991. As a result, Brunei appears to be relegated in importance and neglected by Delhi policymakers. Modi should thus step up efforts to hoist India-Brunei relations so that Brunei stands on a more equal footing with its maritime partners.

Engaging India meets the strategic purpose of Brunei's hedge diplomacy. This is linked to small state diplomacy whereby small states such as Brunei balance and counterbalance their foreign bilateral relations in order to remain secure and autonomous, due to the complexity of geopolitics. On the one hand, Brunei maintains close defence relations with the United

Kingdom and the United States (US), while on the other, it advances economic relations with China and its ASEAN maritime neighbours.<sup>1</sup>

That Brunei is looking as much to the East as it is to the West suggests that the country would welcome a more constructive engagement with India. Outside of Southeast Asia, it is with China that Brunei's relations have gradually intensified in recent years. China reaffirmed the importance of Brunei to the country's engagement of Southeast Asia when Chinese President Xi Jinping, as part of his 'charm offensive', made a landmark visit to Brunei in November 2018.<sup>2</sup>

However, at the same time, Brunei is not keen to put all its proverbial eggs in the Chinese basket, given the latter's assertive regional behaviour in the disputed South China Sea where Brunei is also a claimant. Brunei would, therefore, be open to engaging India as a potential route to diversify its foreign policy by strengthening bilateral relations with countries outside of Southeast Asia.

What has also fostered a climate of diplomatic positivity between India and Brunei is that neither has been interested in interfering in the other's internal affairs. India chose not to join the chorus of Western criticism of Brunei's implementation of Islamic (Syariah) law and the attendant harsh penal code, while Brunei has kept close-mouthed on India's contentious Citizenship Amendment Law and the provocative revocation of Article 370 that granted autonomy to the Indian-administered Kashmir.

Although Bruneians are conservative in their Islamic thinking domestically, they are averse to any foreign entanglements with the global *ummah* (Islamic community) which are not in their national interest. This is why Brunei is not as active in the Organisation of the Islamic Cooperation as its maritime brethren from Southeast Asia – Malaysia and Indonesia. It also showed only a passing interest in the Malaysia-led Kuala Lumpur Summit and its relations with Pakistan are inconspicuous. However, while Bruneians are predominantly conservative Muslims, they are distinctly liberal in their economic outlook, which can be capitalised by policymakers in New Delhi.

Strategically speaking, India could envision Brunei as a gateway to Southeast Asia and a friend in ASEAN – Brunei will be the ASEAN Chairman in 2021 – to redress the unfortunate reality that India has not engaged the region as much as China and the US. For its part, Brunei could imagine India as a gateway to engaging actively the other seven countries in South Asia.

## **Maritime Engagement and Defence Cooperation**

One area for closer India-Brunei cooperation is in the maritime domain. For much of Modi's first term, Indonesia was India's preferred maritime partner, but for his second term, Modi

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<sup>1</sup> "Brunei's balancing act", *The ASEAN Post*, 15 February 2018. <https://theaseanpost.com/article/bruneis-balancing-act>.

<sup>2</sup> Ian Storey, "President Xi Jinping's Visit to Brunei Highlights Progress and Problems in Bilateral Relations", *ISEAS Perspective* No. 83, 28 December 2018. [https://www.iseas.edu.sg/images/pdf/ISEAS\\_Perspective\\_2018\\_83@50.pdf](https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2018_83@50.pdf).

may want to also engage other maritime countries in Southeast Asia. For instance, Brunei should consider providing policymakers in Delhi with an investment opportunity to augment its deep-water Muara port, through which India could stand to benefit geoeconomically and geostrategically as this port is also interlinked with a naval base located in the same Muara town.

The penchant for 'port-led development' is a central tenet of Modi-led India's first-ever policy for the Indian Ocean known as Security and Growth for All in the Region (SAGAR). A central plank of India's 'Act East' policy, SAGAR is focused on advancing the blue economy and maritime security. The idea of 'port-led development' is to strengthen domestic maritime infrastructure and bid aggressively for developing ports, as was the case with the Indonesian port in Sabang and the Sittwe port in Myanmar, both of which are located in Southeast Asia.

Recognising that it has been overly reliant on the Western countries for its defence cooperation and military purchases, Brunei has sought to diversify its defence relations by courting Asian countries like India. After a bilateral defence pact was signed in 2016, Brunei and India have endeavoured to enhance their defence cooperation, such as by conducting joint military exercises, hosting visits of naval ships, cooperating between defence industries and exchanging and training military officers.

One area on which both countries can capitalise is Brunei importing military equipment from India if Delhi's defence industry is capable of manufacturing arms attractive enough for export purchases. Brunei's arms exports come primarily from Western countries as the country restricts itself from purchasing arms from its maritime neighbours in order to remain on good terms with them. Looking to India, therefore, to buy arms is a plausible option for Bruneian policymakers.

Another area to boost defence cooperation is to step up joint military exercises, as India is keen to expand its defence and security footprint in Southeast Asia. India could encourage Brunei to participate in the sequel to the maiden trilateral naval exercise called the Singapore-India-Thailand Maritime Exercise (SITMEX), which is aimed at buttressing India's maritime links with Southeast Asian countries whilst contributing to maritime security through the utilisation of the Andaman Sea, a critical geostrategic waterway. As India intends to multilateralise the SITMEX in the future by including more countries from maritime Southeast Asia, Brunei is a viable option.

Although Brunei is not geographically proximate to the Andaman Sea, this maritime arena would be suitable for the country to participate in joint military exercises in order to boost its naval preparedness and enhance defence relations, especially with India. Brunei should not only get itself involved in the sequel to SITMEX if invited, but also continue to take part in existing joint military exercises, such as the MILAN naval exercise led by the Indian navy which will next take place in March 2020.

Brunei may also want to urge India to give its armed forces greater access to its training facilities, in the same way India has granted access to Singapore pursuant to the bilateral agreement for joint army training and exercises. That Brunei and Singapore possess a close

and expansive defence relationship could induce India not only to provide Brunei greater access to its training facilities on its mainland, but also to bring about a trilateral India-Singapore-Brunei military exercise.

Although Brunei does not see Delhi as a security guarantor, its defence cooperation with India is an important contributory factor towards the survival of this monarchical small state. Meanwhile, for India, Brunei could prove to be a beneficial conduit for Delhi policymakers to augment India-Southeast Asia defence relations against a volatile regional security landscape in the Indo-Pacific.

## **Economic Diplomacy**

For the past couple of decades, Brunei has stepped up efforts to pursue a post-oil economy in order to reduce the country's overreliance on oil and gas and be less subject to volatility in the global pricing of oil exports. Economic diversification – which is consonant with the aims of Vision Brunei 2035 to achieve progressive and sustainable economic growth – necessitated the Bruneian government to look studiously at developing other sectors of the economy, including by attracting foreign direct investment and boosting bilateral trade with as many countries as possible.

Against this backdrop and economic diplomacy being a central tenet of India's 'Act East' policy of engaging Southeast Asia, there is scope for increasing economic engagement in India-Brunei ties. Right now, India-Brunei trade, which stands at US\$364.5 million (S\$508.1 million) and is facilitated in part by the India-ASEAN Free Trade Area, is subpar, and investments in each other's country are miniscule.<sup>3</sup>

Accordingly, India, which boasts a fast-growing trillion-dollar economy, could invest in sectors of Brunei's local economy that go beyond oil and gas. These sectors could include information and communications technology, finance and manufacturing. Encouraging more Indians to visit Brunei would also help to boost the local tourism market, including the niche of ecotourism, which Brunei has been actively promoting as a tourist hub in the biodiverse island of Borneo.

As Brunei is not a member of the India-led Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), India's policymakers may want to enlarge its membership by including more countries from Southeast Asia apart from the existing members, Thailand and Myanmar. Brunei could be a beneficiary of BIMSTEC in the same way it could potentially benefit from implementing cooperative projects with China under Beijing's Belt and Road Initiative.

Brunei should be viewed by India as a factor that could modestly contribute towards fulfilling its ambition to become a US\$5 trillion (S\$6.97 trillion) economy by 2024. Like elsewhere in Southeast Asia, India's economic engagement with Brunei lags behind that of China, behooving the Modi government to scale up India-Brunei economic relations. This

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<sup>3</sup> Mustafa Izzuddin, "Redressing the Neglect in India-Brunei Relations", *LSE South Asia Blog*, 15 January 2020. <https://blogs.lse.ac.uk/southasia/2020/01/15/long-read-redressing-the-neglect-in-indian-brunei-relations/>.

dovetails with India giving greater weight to bilateral economic engagement with individual Southeast Asian countries after it withdrew from the Regional Comprehensive Economic Partnership.

However, because India pulled out of this multilateral mega free trade agreement and scrapped a joint project with Singapore to develop the city of Amaravati in Andhra Pradesh, presumably due to domestic reasons, policymakers in Delhi will also have to convince their Brunei counterparts that India can still be considered a trusted and reliable economic partner that will honour agreements and deliver timely outcomes.

As Brunei's main export to India is crude oil worth between US\$500 million (S\$697 million) and US\$1 billion (S\$1.39 billion) annually depending on global oil prices,<sup>4</sup> India sees Brunei as important to its energy security. Notwithstanding Chinese apprehensions, India and Brunei could jointly explore oil and gas deposits in those parts of the South China Sea claimed by Brunei. That way, both India and Brunei stand to benefit, with the latter then being able to sell more crude oil and even natural gas to India.

## **People-to-People Linkages**

Along the lines of Southeast Asia being a magnet to a large Indian diaspora, Brunei is home to 11,500 Indians in a country of 423,000 people. Indians in Brunei could serve as a strategic asset to bring Brunei and India closer together through business networks like the Indian Chamber of Commerce and cultural associations such as the Indian Association of Belait.

As the Bharatiya Janata Party (BJP)-led government is keen to court the Indian diaspora more aggressively than previous administrations, such as by celebrating Pravasi Bharatiya Divas (Non-Resident Indian Day), Brunei should be included in its list of diasporas from Southeast Asia.

Regionally, there is asymmetry of people-to-people movement across South and Southeast Asia, as the direction of travel is still tilted towards movement from South to Southeast Asia. Brunei is no exception. For a start, India should encourage more Bruneians to visit, study or work in India. As there is a paucity of student and academic exchanges between India and Brunei, both sides should look at inking agreements to promote educational exchanges, especially at the tertiary level.

## **Looking Ahead**

Brunei's receptiveness to India can also be attributed to the country's future royal succession. One of the main focuses of the current 73-year-old Sultan and his loyalists is to ensure that the kingdom remains intact when the royal succession eventually takes place. To this effect, the kingdom needs to ensure a continued stream of revenue from economic growth in order to provide extensive social welfare for its people, such as in education and healthcare, and in so doing, keeping them contented by preserving the longstanding social

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<sup>4</sup> "India-Brunei Bilateral Relations", *High Commission of India in Brunei Darussalam*.  
<http://www.hcindiabrunei.gov.in/page/india-brunei-bilateral/>.

contract. In recent years, this social compact between the kingdom and the people has been tested by economic grievances and youth restiveness but not to the extent of tearing the country apart.<sup>5</sup>

The relations between Brunei and India are on the cusp of positive transformation. The moment is opportune, and the atmosphere is conducive for the governments of both India and Brunei to intensify efforts towards making India-Brunei relations more significant in each other's foreign policy. The political leaderships of Modi and the Sultan will be pivotal in redressing the benign neglect in India-Brunei ties by working towards taking this lackadaisical bilateral relationship to the level of deepened engagement on a sustainable basis. However, while the Sultan has met Modi in Delhi, Modi has yet to make a trip to Brunei. Envisioning the bilateral potential in India-Brunei relations must, therefore, start with Modi prioritising Brunei on his foreign travel schedule in 2020.

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<sup>5</sup> Mustafa Izzuddin, "Courting the little kingdom: Why Brunei matters to China", *Policy Forum*, 15 December 2016. <https://www.policyforum.net/courting-little-kingdom/>.