

ASEAN and India in an Evolving Indo-Pacific

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Summary

Allaying concerns over the impact of the Quadrilateral Security Dialogue, greater economic integration and the development of resilient supply chains will serve the Association of Southeast Asian Nations member states and India well in the evolving geopolitical and economic context.

India hosted the Special ASEAN-India Foreign Ministers Meeting (SAIFMM) on 16 June 2022. The meeting, which marked the 30th anniversary of the establishment of dialogue relations between India and the Association of Southeast Asian Nations (ASEAN) and 10 years since the development of their strategic partnership, was attended by representatives from all the ASEAN member countries, barring Myanmar. India's External Affairs Minister, S Jaishankar, welcomed his counterparts by underscoring the importance of ASEAN's centrality to India and emphasising that a ["connected India-ASEAN would be better positioned to promote decentralised globalisation"](#).

The SAIFMM took place within the context of an evolving security and multilateral environment, and global trade disruptions. Russia's invasion of Ukraine has not only impacted energy supplies and global supply chains but also threatened to upend the international order. Moreover, the Southeast Asian states are concerned about the impact of deepening tensions between the United States (US) and China. They have generally attempted to balance their relations between the US and China, and are sensitive to being seen to be in one camp or the other. Singapore's Foreign Minister, Vivian Balakrishnan, [reflected such concerns](#) when he stated that recent geopolitical developments "can threaten the old system of peace and stability which we have been dependent on for the basis of our growth, development, and prosperity over many decades."

India is keen to balance China's influence in the Indo-Pacific. Clashes along the disputed Himalayan border resulted in India reorienting its maritime security policy and outreach. One manifestation of this has been India's active participation in the recently revived Quadrilateral Security Dialogue (also called the Quad), together with Australia, Japan and the US. While India is keen to stress that the Quad is not a formal alliance, it is clear that it hopes to contain China through it. On their part, the ASEAN member states have responded cautiously to the Quad. It is worth noting that the ASEAN member countries and India do not necessarily view the geopolitical environment through the same lens. While Myanmar and Cambodia are seen as increasingly becoming part of China's strategic ambit, [Vietnam and India](#) are ramping up economic and security cooperation. Yet, there is a general concern over the securitisation of Southeast Asia, China's pushback and that the Quad may challenge the principle of the ASEAN centrality.

It is in this light that Jaishankar's reassertion of ASEAN's centrality should be seen. India is keen to present itself as a partner to the ASEAN member states and emphasise that the

Quad complements rather than challenges the existing multilateral architecture. This is in line with the Quad's positioning of itself not as an alliance that competes with China but one that provides multiple platforms for cooperation across the Indo-Pacific. These include infrastructure initiatives like the Blue Dot Network and equitable vaccine distribution systems. The ASEAN member states have welcomed the Quad's non-security dimensions.

Beyond the strategic realm, economic connectivity with ASEAN is an integral part of India's 'Act East' policy. Growing economic ties between the two are clear from the fact that mutual trade amounted to more than [US\\$78 billion](#) (S\$108.3 billion) in 2021. Moreover, Singapore has emerged as the largest foreign direct investor in India. India's withdrawal from the Regional Comprehensive Economic Partnership (RCEP), a free trade agreement (FTA) between the ASEAN member states and Australia, China, Japan, New Zealand and South Korea in 2019 due to concerns over being flooded by cheaper imports had disappointed those in ASEAN who were championing greater regional economic integration. However, the fact that the SAIFMM took place against the backdrop of India's signing on to the Indo-Pacific Economic Framework and its renewed drive to ink FTAs may signal a willingness on New Delhi's part to re-engage with regional trade arrangements.

While India remains cautious about the impact of tariff liberalisation on its domestic production, it realises that there is a need for greater connectivity and economic integration with Southeast Asia. It is, thus, no surprise that digital connectivity featured prominently in the discussions in New Delhi. Indeed, the [linking of Singapore's PayNow with India's Unified Payments Interface](#) has been floated as a model for a broader regional transaction system that could facilitate regional trade and expand market access.

Food security is another dimension of the ASEAN-India relations that came into focus during the SAIFMM. Food supply chains have been disrupted both by the COVID-19 pandemic and the war in Ukraine. The ensuing shortages resulted in some countries controlling exports. For instance, India banned wheat export while Indonesia prohibited the export of palm oil. Looking ahead, the development of [sustainable and resilient food supply chains between ASEAN and India](#) will be highly beneficial to both. There are already indications that India may export wheat to Indonesia in exchange for the latter lifting restrictions on the export of palm oil.

Overall, allaying concerns over the impact of the Quad, greater connectivity and economic integration, and the development of resilient supply chains would serve both ASEAN and India well in the evolving geopolitical and economic milieu. Decentralised globalisation, however, will require [not just the flow of resources and opening of markets](#) but also the emergence of multiple manufacturing hubs. Thus far, India's exports to ASEAN have been limited by the fact that its manufacturing sector is relatively uncompetitive. It remains to be seen how the current push to strengthen its manufacturing industry may impact its trade with the ASEAN member states.

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