

ASEAN-INDIA DIALOGUE RELATIONS

A. Introduction

1 ASEAN-India dialogue relations have grown rapidly from a sectoral dialogue partnership in 1992 to a full dialogue partnership in December 1995. The relationship was further elevated with the convening of the ASEAN-India Summit in 2002 in Phnom Penh. All these took place in a decade, which clearly signifies the importance of the dialogue partnership to ASEAN and India and the progress made in the cooperation.

B. Political–Security Cooperation

2 Since India became a full Dialogue Partner of ASEAN, the collaboration has transcended from the realm of functional cooperation to cover political and security dimensions. India participates in a series of consultative meetings with ASEAN, which include the ASEAN Regional Forum (ARF), the Post Ministerial Conferences (PMCs) 10+1 and 10+10. Since July 1996, India has been an active participant of the ARF. It views the ARF as a valuable process in promoting stable relationships between the major powers, and as a useful complement to the bilateral alliances and dialogues between India and ASEAN, which are at the heart of the region's security architecture.

3 In demonstrating its commitment and shared interest to ensuring peace, security, stability and development in Southeast Asia, India acceded to the Treaty of Amity and Cooperation in Southeast Asia on 8 October 2003 during the 2nd ASEAN-India Summit in Bali, Indonesia. At the same occasion, ASEAN and India also signed the Joint Declaration for Cooperation in Combating International Terrorism, symbolising concrete initiatives to step up cooperation in the fight against terrorism.

4 As a reflection of the interest of ASEAN and India to intensify their engagement, ASEAN and India signed the ASEAN-India Partnership for Peace, Progress and Shared Prosperity at the 3rd ASEAN-India Summit on 30 November 2004 in Vientiane, which sets out the roadmap for long-term ASEAN-India engagement. A Plan of Action was subsequently developed to implement the Partnership.

C. Economic Cooperation

5 Between 1993 and 2003, ASEAN-India bilateral trade grew at an annual rate of 11.22%, from US\$ 2.9 billion in 1993 to US\$ 12.1 billion in 2003.

6 In 2007, the total volume of ASEAN-India trade was US\$ 37.077 billion and ASEAN's export to India was US\$ 24.658 billion – a growth of 30.3% in comparison with that of 2006. ASEAN's import from India was US\$ 12.419 billion – a growth of 27.1% in comparison to that of 2006. As for foreign direct investment (FDI), the inflow from India to ASEAN Member States was US\$ 681.6 million in 2007, accounting for 1.12% of total

FDI in the region. Total Indian FDI into ASEAN from 1995 to 2007 was US\$ 1.577 billion .

7 Acknowledging this trend and recognising the economic potential of closer linkages, both sides recognised the opportunities for deepening trade and investment ties, and agreed to sign a framework agreement to pave the way for the establishment of an ASEAN-India Free Trade Area.

8 At the 2nd ASEAN-India Summit in 2003, the ASEAN-India Framework Agreement on Comprehensive Economic Cooperation was signed by the Leaders of ASEAN and India. The Framework Agreement laid a sound basis for the eventual establishment of an ASEAN-India Regional Trade and Investment Area (RTIA), which includes FTA in goods, services, and investment.

9 ASEAN and India signed the ASEAN-India Trade in Goods (TIG) Agreement in Bangkok on 13 August 2009 after six years of negotiations. The signing of the ASEAN-India TIG Agreement paves the way for the creation of one of the world's largest FTAs – a market of almost 1.8 billion people with a combined GDP of US\$ 2.75 trillion. The ASEAN-India FTA will see tariff liberalisation of over 90% of products traded between the two dynamic regions, including the so-called “special products,” such as palm oil (crude and refined), coffee, black tea and pepper. Tariffs on over 4,000 product lines will be eliminated by 2016, at the earliest. The ASEAN-India TIG Agreement will enter into force on 1 January 2010 once India and at least one ASEAN Member State notify completion of their internal ratification process.

10 ASEAN and India are working towards the early conclusion of the ASEAN-India Trade in Services and Investment Agreements.

D. Development Cooperation

11 Over the years, ASEAN-India development cooperation has been expanded to include human resource development, science and technology (S&T), people-to-people contacts, health and pharmaceuticals, transport and infrastructure, small and medium enterprises (SMEs), tourism, information and communication technology (ICT), agriculture, energy and Initiative for ASEAN Integration (IAI). All cooperation projects are funded by the ASEAN-India Fund (AIF).

12 Cooperation in this area is carried out through the implementation of the Plan of Action (PoA) to Implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity which was adopted by the Leaders of ASEAN and India at the 3rd ASEAN-India Summit in November 2004 in Vientiane.

13 The above PoA, in turn, is carried out through activities which were prepared by the ASEAN Secretariat in the form of a matrix incorporating the proposed activities under the various existing ASEAN sectoral work plans, Declarations concluded between ASEAN and India as well as priority activities under the Vientiane Action Programme

that could be implemented with India. The matrix is a working and evolving document in which both ASEAN and India could suggest changes according to needs and priorities of the dialogue relations.

14 India is also actively contributing to the implementation of the IAI Work Plan with the implementation of some of the IAI projects/activities such as the Entrepreneurship Development Centres (EDC) and the Centres for the English Language Training (CELT) in Cambodia, Lao PDR, Myanmar and Viet Nam. India also agreed to support the establishment of a CELT in Indonesia.

15 India contributed US\$ 1 million to the ASEAN Development Fund (ADF) in 2007.

16 The Fourteenth ASEAN Transport Ministers (ATM) Meeting on 6 November 2008 in Makati, Philippines, adopted the ASEAN-India Aviation Cooperation Framework, which will lay the foundation for closer aviation cooperation between ASEAN and India.

17 In tourism, the number of visitor arrivals from ASEAN to India in 2006 was 277,000 while the number of visitor arrivals from India to ASEAN in 2007 was 1.814 million . At the Sixth ASEAN-India Summit held on 21 November 2007 in Singapore, India proposed to set a target of one million tourist arrivals from ASEAN to India by 2010.

18 The Prime Minister of India announced, during the 6th India-ASEAN Summit held on 21st November 2007, that an India-ASEAN Green Fund would be set up with an initial contribution of US\$ 5 million to support activities relating to climate change. The Fund would support cooperative pilot projects between ASEAN and India for promotion of technologies aimed at promoting adaptation to and mitigation of climate change.

19 Also at the 6th India-ASEAN Summit, the Prime Minister of India announced the establishment of the ASEAN-India S&T Development Fund with an initial fund of US\$ 1 million. The Fund shall be used to encourage collaborative Research & Development and technology development between ASEAN and India.