



Indian Council of World Affairs

Sapru House, Barakhamba Road

New Delhi

Address

by

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Joint Secretary

Indian Council of World Affairs

at the

Kolkata Dialogue 2017

on

‘Act East: India’s ASEAN Journey’

at

Kolkata

30 May 2017

Mr. Kalyan Kar, Chairman, NEC on Education & Skill, ICC;
Mr. Rajat Nag, Chair, Look East Council, Indian Chamber of Commerce;
Dr. Manoj Singh, Advisor, NITI Ayog;
My colleague, Mr. Anurag Bhushan, JS (ASEAN ML), MEA;
Consul Generals and Rep. of Consulates of various countries in Kolkata;
Heads and Senior officials and faculty of various institutions and universities;
Distinguished guests, practitioners, researchers and scholars;

Ladies and Gentleman,

I am honoured to be invited to address this august gathering commemorating ASEAN's 50th Anniversary, in a forum being organised for the last few years by the Indian Chamber of Commerce. It also gives me significant pride, to be part of 'Kolkata Dialogue 2017', a flagship conference that will be part of the ASEAN related initiatives of ICC. Kolkata, the City of Joy, Hopes and Innovation, and its location on the eastern shore of India, is the perfect forum for constituting a dialogue to chalk out India's Act East and ASEAN strategy. While strengthening its Act East policy objectives, for which the government remains committed, such dialogue platforms, strengthen the scope of bringing ideas together, addressing the challenges faced, and creating policy prescriptions.

I bring to this Forum greetings from Indian Council of World Affairs, India's oldest foreign policy think tank and an Institute of National Importance declared by our Parliament.

As ASEAN celebrates 50 years of its existence, India is also celebrating 25 years of the ASEAN-India Dialogue Partnership and 5 years of our Strategic Partnership. Our relationship, rooted firmly in our historical and civilizational links, has thrived, through multi-sectoral activities which have benefited us. India has a comprehensive engagement with South East Asia, cutting across the three agreed pillars of politico-

security, economic and socio-cultural cooperation with the region. Already there are 30 dialogue mechanisms between India and ASEAN, including a Summit and 7 Ministerial meetings on a wide range of sectors such as Foreign Affairs, Commerce, Tourism, Agriculture, Environment, Renewable Energy and Telecommunications.

India's "Act East Policy" is, inter-alia, a reflection of the importance we attach to our strategic partnership with ASEAN. It focuses on closer cooperation in combating terrorism and collaborating for peace, prosperity and stability in the region and promoting maritime economy and security based on international norms and laws.

The North Eastern region of India has been priority in our Look/ Act East Policy. The importance of North East India has been integrated into various plans at bilateral and regional levels. These plans include steady efforts to develop and strengthen connectivity with the ASEAN region through trade, culture and people-to-people contacts.

For India, increasing and diversifying trade and investment with ASEAN is high priority. Our 'Act East' policy has stressed the significance of connectivity, information highways, cooperation in space, S&T and people to people exchanges, and accordingly the focus is on expeditious implementation of various projects in this regard. Despite sustained efforts made by both sides, India-ASEAN trade is far below potential. While ASEAN is India's fourth largest trading partner, India ranks 10th in the list of ASEAN's trading partners, way behind China, EU and US. [The annual trade between India and ASEAN stood at approximately US\$ 65.04 billion in 2015-16.] Investment flows have been growing both ways, with ASEAN accounting for approximately 12.5% of investment flows into India (about US\$49.40 billion) since 2000. FDI outflows from India to ASEAN countries, from April 2007 to March 2015, according to DEA, were about US\$38.672 billion.

The ASEAN-India Free Trade Area, which has been completed with the entering into force of the ASEAN-India Agreements on Trade in Service and Investments in July 2015 is expected to boost India's trade and investment with ASEAN. Finalisation of the Regional Comprehensive Economic Partnership (RCEP) needs to be pushed to realise true economic potential of this partnership. With major thrust given by the present government to economic reforms including landmark initiative of GST and on manufacturing, digital economy and FDI, and other concerted moves by India to integrate itself with global economic dynamics more closely, India is hopeful for early membership of APEC.

I will now briefly focus on some of the potential sectors of economic cooperation:

- Timely implementation of various initiatives and projects/ schemes identified for implementation under ASEAN-India Plan of Action for the period 2016-20 adopted in August 2015, by promoting private sector engagement and encouraging business-to-business relations, investment and finance with focus on SMEs, energy including new and renewable energy and rural electrification, food, agriculture and forestry, ICT, mining and natural resource management, environment, climate change and biodiversity, health, education, culture and people-to-people exchange, and related facilitation like visa etc.
- Similarly physical and digital connectivity projects, information highways, space, S&T and innovation, and capacity building projects, for which India has announced LoC of US \$ 1 Billion to ASEAN countries, should be expedited. Without robust physical and digital infrastructure and connectivity, regional economic integration and cooperation would remain a distant dream.
- India has undertaken major connectivity projects such as the India-Myanmar-Thailand Trilateral Highway project, Kaladan multi modal transport project, Rhi-Tiddim Road Project, Border haats etc. The government also realises that without improving connectivity and infrastructure within our north-eastern

region, the region will not be able to extract full benefit of connectivity and trade with ASEAN, and has allocated Rs. 40,000 crores for this purpose.

- In addition to the ongoing Asian Highway Network, there is the possibility of developing other Economic Corridors which are economically viable; India Vietnam Economic Corridor via CLMV route, for which Myanmar Lao Friendship Bridge can be a link for this connectivity along with the IMT highway. Such ideas however need more research and economic modelling. Similarly the development of hydropower in the NE region needs to be expedited. According to Central Electricity Authority, the region has the potential of generating over 60,000 MWs of energy. If such projects including small and mini – hydel projects are established without disturbing the local flora and fauna, on the principles of sustainable development, this will not only contribute to making North Eastern India power surplus and developing its energy-intensive infrastructure, but will also export surplus power to other power-deficit parts of the country as well as to our neighbouring countries. There are of course a number of challenges in hydropower development in the region such as technical difficulties, dearth of adequately investigated projects, land acquisition problem, environmental concern, power evacuation problems etc, which need to be addressed.
- Developing air and surface connectivity along with aggressive promotion of historical and cultural sites showcasing our ancient Hindu and Buddhist linkages, and the coastal and cruise tourism will also lead to tapping the huge tourism potential that remains untapped. ‘Sagarmala’ project, the most significant initiative taken by the Government to improve India’s Maritime infrastructure in a holistic manner will greatly contribute in this regard.
- Indian companies should focus on education, healthcare and pharmaceuticals, in addition to ICT, as future areas of bilateral trade and investment.

- Maritime economy and security, space cooperation, nuclear energy, defence production and technology, cyber security, HADR and remote sensing are priority areas for future cooperation, in most of which we have developed proven expertise and can share with ASEAN countries.
- Setting up of Study Centres, language learning and training facilities in each other's countries; and promoting academic exchanges and youth interaction will go a long way in furthering people to people relations and understanding.

The distinguished experts, scholars and practitioners will deliberate on the above possibilities along with other ideas for promoting trade, business and investment cooperation between India and its eastern neighbours in detail in various sessions of the Dialogue. I remain extremely hopeful that the outcome of the deliberations would be able to identify the strengths and challenges in the way of integrating ideas, perceptions, concepts and visions, which would bring forth a positive outcome, being able to build concrete actionable points for the future growth and integrated development of the region and the nation.

Before I conclude, I must thank and commend ICC for organizing such a wonderful event and the excellent hospitality provided to us.

I wish the organisers and participants of the Kolkata Dialogue 2017 all success.

Thank You.
