



Royal University of Law and Economic

Final Report on

**Look East and Act East Policy toward
ASEAN: Achievements, Opportunities,
Challenges, and Future Perspectives**

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Year of Submission: 2021

ACKNOWLEDGEMENT

There are many obstacles we've met during this research. We are very thankful to all those who has helped and support us until this report came into the successful end. This final report on India's Look East and Act East Policy: In the Asia Region could not have been completed without supports from Advisor, Professors, University Staffs, Classmates, and especially my family and I highly appreciate to all supportive people throughout my research.

Our deep gratitude goes first to our parents who always supports us everything in our lives including studying. We will not cannot complete this report without their support and care. We all thank to them who always encourage and gives us advises until we can finish our work.

I would like to express my great sincere to my advisor Dr, Kem, Sambath for his guidance and supportive us since start to the end. We very thankful to his valuable time for teaching and instruction. Without his support, we will cannot complete our final report successfully.

I would like to extend my profound thanks to His Excellency Dr. LUY CHANNA, Rector of The Royal University of Law, and Economic for his contribution to the International Relations Department, and his supports in leading good governance of the university. We would like to express our thankful to all the professors who provided us the lecture throughout this university duration. I, therefore, wish to acknowledge the help provided by Mr. KHIM KIRI for his willingness and commitment within the International Relations Department.

Finally, I would like to extend my deep thanks to the Research Department of the Royal University of Law and Economic for their help in offering us the recommendation and information for our research. We are also grateful to our classmates who always inspire us in difficult time.

ABSTRACT

In 1991, Narasimha Rao has launched the “Look East Policy” with the main of developing political contracts, increasing economic integration and forging security cooperation with countries of Southeast Asia. Look East Policy is an effort to cultivate extensive economic and strategic relations with the nations of Southeast Asia to bolster its standing as a regional power and a counterweight to the strategic influence of the People's Republic of China. However, after two decades of processing the Look East Policy, it seems not successful. In 2014, India upgraded the “Look East Policy” to “Act East Policy” with the aim of keep the form original of look East policy and expand its ties relation with Asia-Pacific region including South Korea, Japan, New Zealand and Australia and to deeper security cooperation. Act East Policy was seen as the successor of Looe East Policy. The first part of this thesis will describe about the general background of Look East and Act East policy, Research Question, Research Objective, Scope and Limitation, Research Methodology, and Structure of Research. The next part has three chapters which the first chapter will tell you about the general view of LEP and AEP includes of India-East Asia and India-China relation, the aim of policy and the 4C’s of policy. Chapter two will dig into deep details of Act East Policy toward ASEAN. In this chapter, we will detail about the steps of assertive of AEP, project implementation, mechanism and regional forums, opportunities, and challenges and suggestions. In chapter three, we will analyze the future perspective of AEP and ASEAN perspective on AEP. And the last part of the thesis we have the conclusion for overall the main points the thesis with some recommendations that the policy should follow.

Keywords: Look East and Act East policy, India-ASEAN relation

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LIST OF ABBREVIATIONS

AEP:	Act East Policy
ADMM:	ASEAN Defence Ministers Meeting
APEC:	Asia-Pacific Economic Cooperation
ARF:	ASEAN Regional Forum
ARMAC:	ASEAN Regional Mine Action Center
ASEM:	The Asia-Europe Meeting
ASEAN:	Association of South East Asian Nations
BCIM Forum:	Bangladesh-China-India-Myanmar Regional Economic Forum
BIMSTEC:	Bay of Bengal Multi-Sectoral Technical and Economic Cooperation
CLMV:	Cambodia, Laos, Myanmar, and Vietnam
CECA:	Comprehensive Economic Cooperation Agreement
EAS:	East Asia Summit
EU:	The European Union
FDI:	Foreign Direct Investment
FTA:	Free Trade Agreement
ICT:	Information Communication Technology
LEP:	Look East Policy
MGC:	Mekong Ganga Cooperation
MIEC:	Mekong-India Economic Corridor
MSME:	Micro, Small and Medium Enterprise
MSP:	Malacca Strait Patrol
NDA:	National Democratic Alliance
POA:	Plan of Action

Quad:	Quadrilateral Security Dialogue
RCEP:	Regional Comprehensive Economic Partnership
PRC:	People's Republic of China
SAGAR:	Security & Growth for ALL in the Region
SEA:	South East Asia
UN:	United Nation
UNCLOS:	The United Nations Convention on the Law of the Sea
USA:	United States of America
USSR:	Union of Soviet Socialist Republics
WTO:	World Trade Organization

INTRODUCTION

General Background

Prior to 1991, India did not want to close ties and look at its neighboring Eastern countries. Besides, India tries to maintain a close relationship with the Western and Middle East countries. There are three reasons behind the close ties between India, Western and Middle East. Firstly, the people of India were dominated by the socio-economic philosophy of the Western countries. Secondly, during the Cold War period, India had a very close relationship with the USSR. Thirdly, the goods like petroleum products or crude oil and natural gas etc., India had imports from the Western and Middle East¹.

After the collapse of the Soviet Union of the Cold War period came to an end, most of the nations accepted the new era of globalization, liberalization and privatization in their economy as well as other socio-cultural fields. Most of the nations started to think that the means to making power and economic progress is by developing international trade and encouragement of foreign investments etc. India sees that Southeast Asia was the region that had a great potential during the period with the rapid economic, geography and development. India started to open its door to the Southeast Asia countries for trade and other socio-economic activities. On the other hand, by seeing the growth of China's influence in Southeast Asia that is also the reason that makes India interested in ASEAN.

In 1991, Narasimha Rao Government launched the "Look East" policy with the aims of developing political contacts, increasing economic integration and forging security cooperation with countries in Southeast Asia in order to strengthen India's position in this region and to avert China's dominance from the region. The Look East policy has emerged as an important

¹ Dr. Homeswar Kalita, 2012, "India's Look East Policy: Challenges and Opportunities Ahead". Global Journal, [5-Indias-Look-East-Policy-Challenges.pdf](#), Accessed on 29, April, 2021. Volume 12 Issue 13.

foreign policy initiative of India in the post-Cold War period. At the same time, India was going through a somewhat difficult transition from a state-controlled economic regime to a more liberalized one. It took many years for the country to get adjusted to the newly emerging economic environment.

In contrast, the prime minister Narendra Modi announced the upgrading of India's erstwhile LEP to a more action-oriented "Act East" policy in 2014. The main focus of this policy was to shift the country's trading from the West to neighbors to the booming Southeast Asia countries. It aims to cultivate economic and strategic relations with ASEAN countries in order to secure India's position as a regional power. The "Act East policy" is now going beyond the immediate neighbors to Indo-Pacific, has now become a significant foreign policy initiative².

Research Question

The core of this thesis will describe about how LEP and AEP develops itself in Southeast Asia region and strategic it has been used. There are three question we are trying to research and answer as follow:

What are opportunities that AEP contribute to ASEAN community?

What are the challenges and progress projects made under AEP in ASEAN?

What are ASEAN perspectives on AEP?

Research Objective

- To study the evolution and objective of India's "Look East" and "Act East" policy.
- To examine the various opportunities and challenges coming out of the LEP and AEP into Southeast Asia region.

² Brahma, Ashok, "India's Act East Policy: The North-East States of India with 3 C's Formula", IJIRSET, [18 4 India \(2\).pdf](#). Vol. 7, Issue 9, September 2018.

- To examine the policies and programs of the government of India's Act East Policy and to enquire what significant socio-economic, political, cultural, and strategic changes have been brought forth by the implementation of this policy?
- To analyze the future opportunity and challenges of AEP.

Scope and Limitation of the Research

The scope of this research is to examine how India applies AEP in ASEAN and what they achieve together such as economic cooperation, trade, bilateral relation and project implementation. In addition, we describe about the challenges and suggestions of AEP. In challenges, we also written about the main factors which are the obstacle of AEP like China, US, South Korea, Japan, Australia and Covid-19 pandemic. In our thesis, we analyze the future perspective of AEP and ASEAN perspective on AEP as well.

Research Methodology

For the purpose of the research, both published and unpublished secondary data as well as primary data has been utilized. Secondary data have been collected from different published books, internet sources, published research, newspapers, Government Official, etc. The researchers are also based on the referred sources-published, unpublished and electronic. That had many clear information that was specially mentioned about the clear explanation.

The researchers provided the quality and quantity to the reader with accurate and truthful information. The researchers wrote this paper with passion for analyzing with reasonable and a clear understanding on the topic. The enough reference and evidence are also to make this research paper effective and efficient.

Structure of Research

This thesis is divided into three parts as follow explanation:

Introduction:

In introduction comprises of six points: general background, research question, research objective, scope and limitation of the research, research methodology and Structure of research.

Three Main Chapters

Chapter I is written about aim of LEP and AEP, India relation with East Asia and China and 3Cs of AEP.

Chapter II is about detail of LEP and AEP toward ASEAN. We will discuss about the step for assertive AEP, project implementation, regional integration, India-ASEAN infrastructure trade and commerce ties, RCEP, opportunities and challenges of AEP in ASEAN, competitive partners and suggestions.

Chapter III is about the future analysis of AEP includes ASEAN perspective on AEP.

Conclusion

In the conclusion, we will summary the main point of our thesis and provide some recommendations.

CHAPTER I: GENERAL VIEW ON LEP AND AEP

1.1. Look East and Act East Policy

In the end of the Cold War in 1991, there was a big shift in many countries in Asia to change their economic and strategic policy and India was not the exception. It made three important changes in its policies. First, India changed its economy system from state-controlled economic to liberalized one. Second, India adopted multi-dimensional foreign policy that facilitated closer economic and strategic engagement with the United States (US). Third, in the term of prime minister Narasimha Rao in 1991, he launched “Look East Policy” as his new foreign policy to response the post-cold war condition. The main aim of this policy are creating close relation with ASEAN member states and finding the better opportunity for market, capital and technology for sustainable economic growth. This policy has been implemented into two phases. The first phase starts from 1991 to 2003 mainly focused on the development of trade and investment linkages with the members of ASEAN. The second phase starts from 2003 till present mainly focused on both the ASEAN and non-ASEAN countries of East Asia. This policy not only deepen about economic relation, but also strategic relations in this region.

In 2014, under Modi’s administration, he launches the ‘Act East Policy’ that called the upgrade from ‘Look East Policy’ to expand wider ties with Asia-Pacific region including South Korea, Japan, New Zealand and Australia and to deeper security cooperation. In addition, the purpose of ‘Act East Policy’ is to align power of China and influence India’s power in South East Asian region. LEP and AEP are like the two sides of a coin. The difference between LEP and AEP is that LEP focuses on the Association of Southeast Asian Nations (ASEAN) countries plus Economic Integration. And AEP focus on ASEAN plus Economic Integration and East Asian countries plus Security cooperation. Moreover, Prime minister of India highlighted 4C’s

of Act East Policy: Culture, Commerce, Connectivity and Capacity building³. With its Act East policy, India hopes to deepen its political, economic and security relationships with the countries of Southeast Asia and the wider Indo-Pacific. Balancing against the rise of China is a key driver. This is manifested in ongoing attempts to strengthen ties with Australia, Japan, and South Korea among others.

ASEAN: Boosting exports with the 10 members of the Association of Southeast Asian Nations is a core plank of Modi's Act East policy.

Australia: China's rise has compelled Indian outreach to forge a stronger defense partnership.

Japan: The key regional power shares India's concerns over China's expansion.

Northeast India: New Delhi wishes for its remote northeastern wing to serve as a trading hub that connects to Southeast Asia through Myanmar.

South Korea: India wants to deepen trade, investment and security ties with this regional economic power.

1.2. The Objectives of LEP and AEP

1.2.1. LEP

There are five main objectives of LEP

- **Regional Integration:** The main objective of the Look East Policy is economic integration with East and Southeast Asia. India realized that its East Asian neighbors achieved rapid economic growth and that it was lagging behind. Enthralled by the East Asian economic miracle, the Indian elite came to realize that the East Asian open economic system could be a model for its own development strategy. Thus, New Delhi wanted to expand ties with these high-

³ India's Act East Policy. 18 May, 2021. Drishti. Retrieved from <https://www.drishtiiias.com/daily-updates/daily-news-analysis/india-s-act-east-policy-1:4578>.

performing economies with the aim of getting integrated into the process of economic regionalization in East Asia. According to G.V.C. Naidu, India adopted a three-pronged approach in its attempt to forge regional cooperation through the Look East Policy. They are:

- To renew political contacts with the ASEAN member nations.
- To increase economic interaction with Southeast Asia (trade, investments, science and technology and tourism)
- To forge defense links with several countries of this region as a means to strengthen political understanding (Naidu 1996: 83)⁴.

- **Reform and Liberalization:** Though the Look East policy is a by-product of India's economic reform and liberalization in 1991, the policy seeks further reforms to liberalize trade and investment in order to forge deeper economic integration with East and Southeast Asian countries. Thus, India seeks to lower trade barriers and liberalizes the investment regime. India has signed a framework agreement during the Bali Summit in 2003 to create a Free Trade and Investments Area with ASEAN BY 2016. Since 2003, India, ASEAN and individual ASEAN member countries have agreed to and begun negotiations on FTAs after signing the Framework Agreement on Comprehensive Economic Cooperation. India and ASEAN agree to implement an FTA for the ASEAN-5 by 2011 and for all ASEAN member countries by 2016. The Framework Agreement announced an early harvest programme of immediate deliverables and unilateral trade preferences by India in favour of the least developed members of the grouping.

⁴ AHMAD MIR, JAVID, "India's Look East Policy: Its Evolution, objective and Approaches". Pen2print Services, April,2017. [India's" Look East" Policy: Its Evolution, objectives and Approaches - Pen2Print Services](#), Accessed on 18, May,2021

Till date, India has concluded a Comprehensive Economic Cooperation Agreement with Singapore in 2005. India has also entered into a number of pacts with Thailand and Singapore. The ASEAN-India Free Trade Agreement was signed in August 2009 with the 10n members of ASEAN⁵.

- **Rapid Economic Growth:** In the aftermath of India's liberalization, the Look East Policy become more than just a foreign policy alternative as it provided a development alternative as well, in synchronization with the globalization and the resurgence of Asia as an economic powerhouse. To quote Prime Minister Manmohan Singh: 'it was also a strategic shift in India's vision of the world and India's place in the evolving global economy'. It is only with the formulation of the Look East Policy in 1991 that India started giving East and Southeast Asian region due important in the foreign policy planning. Thus, tapping East Asia's growth was an important cause for India's engagement with the East Asian economies. When the Indian economy started growing at a high rate from the late 1990s, India has increasingly turned its focus to sustained rapid growth. Strong economic ties with East Asia would position India well for accessing growth opportunities in Asia. India is also encouraging East Asian investment in the transport, communications and power sectors to keep pace with its expanding economy. India believes East Asia holds a key to India's sustained economic growth, particularly when international economic activities are becoming more critical to India's own growth and other regions are growing at a much slower pace and becoming more protectionists⁶.

⁵ ibid

⁶ ibid

- **Development of the North-eastern Region:** The Look East Policy is also a means of reducing India's internal development disparity. The North-eastern states lag behind in economic development and this gap has widened since independence. The sense of neglect has resulted in various forms of unrest in the region. With the launch of the Look East policy, India sees the region not as cul-de-sac but as a gateway to the East, thereby attempting to link the North-eastern region with Southeast Asia through a network of pipelines, road, and rail and air connectivity. This is expected to initiate economic development and help the eight North-eastern states to develop infrastructure, communication, trade, investment, logistics, agro-business and other commercial activities. Knowing fully well the potential, the North-eastern states strongly support the Look East policy. Indeed, the Look East policy is believed to be the new mantra for development of the North-eastern region⁷.

- **Counterbalance with China**

The new version of India's Look East policy has the idea of counterbalancing China's growing influence in the Southeast Asia, as it directly refers to the way in which New Delhi should strengthen its relations with China and neighboring countries. With the aim of undermining China's position in these countries, India is developing a new strategy by stressing at geographical as well as economic development to convince nations such as Pakistan, Nepal, Bhutan, Bangladesh, Sri Lanka, but also Vietnam, Myanmar and other Southeast Asian nations that New Delhi can "offer them more" than a distant country like China. India thinks that its relations with Asian countries could help India to balance with diplomacy China's military

⁷ JAVID AHMAD MIR, "India's Look East Policy: Its Evolution, objective and Approaches", April, 2017. [India's" Look East" Policy: Its Evolution, objectives and Approaches - Pen2Print Services](#), Accessed on 18, May, 2021.

superiority and economic advantage. Even economic cooperation between India and China is growing, the idea of competition and rivalry between the two is still improve. The threatened by China, India has changed its regional strategy with the aim of better consolidate and trade its own regional alliances especially with Southeast Asia region.

1.2.2. AEP

The objective of “Act East Policy” is to promote economic cooperation, cultural ties and develop a strategic relationship with countries in the Asia-Pacific region through continuous engagement at bilateral, regional, and multilateral levels. In order to archive this objective India, need to rely on the 3C’s that are Culture, Connectivity, and Commerce to increase the interaction of North Eastern Indian states with other neighboring countries to find out the alternative of the traditional business partners like-more focus on economic integration and security cooperation in the pacific countries in addition to the Southeast Asia countries, to curb the increasing impact of China in the ASEAN region.

- **Culture**

The rise of India culture had taken place in Southeast Asia around 290 BC until now. ASEAN countries and the North Eastern region of India bond over the similarities they share one another in term of culture and heritage. The sameness feeling of oneness with one another and is vector for forging strong ties between India and ASEAN by culture connection include music, dance, food, art, local culture, and religious philosophies, languages Etc..... help the relation between these two regions will growing day by day. Common ties of Buddhism and culture, a shared history of colonialization was use in the Act East Policy rhetoric to build a sense of togetherness. By educating the people of the region about common culture heritage, help the two regions to unify and close economic collaborate each other. Through the cultural collaboration, it has used as intro to create the foundation for big-ticket in investment.

According to External Affairs Minister Sushma Swaraj remarked “We are the South Asia and they are in South East Asia. So, we cannot become part of their region geographically. But we have common cultural link that is not just mere connection, bet a living link.⁸”

- **Connectivity**

Strengthening connection is the second one of the objectives between India and Southeast Asia including land, air, and sea connectivity. The greater connectivity and economic integration of India’s North East with its neighbors is a key for growing and develop in the region. The Act East Policy has increased connected between people to people, trade ties and other relation of India and ASEAN. The Indian visitors get a right to visit all the ASEAN countries without many restrictions. The form of connectivity of these two regions such as people to people contact, border trade through border haunts, cultural ties, infrastructure projects, for example India-Myanmar-Thailand Trilateral highway project, Rhi-Tiddin road project. India-ASEAN has signed many agreements and exchange the programme to make a relation become stronger. In 2012, India the first Dialogue Partner has signed MoU on Strengthening Tourism Cooperation with ASEAN Tourism Ministers ATM+India. They also established Network of Think Tanks Roundtable since 2009-2010, ASEAN-India Media and Students Exchange Programme, and other programme that related to their cooperation. ASEAN also create the Master plan on ASEAN connectivity 2025 that it is the document that guides action and promotes synergy among various connectivity from work. Today, India is devoting more resources and assigning greater priority to build connectivity and cooperation with neighborhood.

⁸ Brahma, Ashok,” India’s Act East Policy: The North-East States of India with 3 C’s Formula”, IJIRSET, [18 4 India \(2\).pdf](#). Vol. 7, Issue 9, September 2018:10028.

Prime Minister Narendra Modi has said on the 4th BIMSTEC Summit, 2018 in Kathmandu (Nepal) that “I believe that there is a big opportunity for trade connectivity, economic connectivity, transport connectivity, digital connectivity, and people to people connectivity.⁹” It is making a strong pitch for enhanced regional connectivity.

- **Commerce**

India’s Act East Policy is use to combat China’s factors due to its growing influence in the Indo-pacific region through the its policy. India had increasing it trade relation with ASEAN countries by using the process of negotiating Regional Comprehensive Economic Partnership (RCEP). Act East Policy is important for India to engage Malaysia, Indonesia and Singapore in maritime trade. Indonesia location is a key player in South East Asian states being the largest archipelago state with vast coastline, islands and total area including Exclusive Economic Zones and most importantly its proximity to the Andaman and Nicobar Islands and the Malacca strait. It is the opportunity for India to trade with Indonesia. So, India has interest to joint MSP (Malacca Strait Patrol) a four-nation arrangement between Indonesia, Malaysia, Singapore and Thailand for exchange of intelligence and coordinated air and sea patrols through Malacca straits. Under the Plan of Action (POA), India-ASEAN functional cooperation is financed under the funds such as ASEAN-India funds that India had contribution of USD 50 million to this plan for support implementation of the ASEAN-India 2016-2020. Another plan was ASEAN-India science & Technology fund set up in 2007, ASEAN-India Green fund was established in 2017 to promote adaptation and mitigation technologies in the field of climate change and ASEAN-India project development fund in 2014 to develop manufacturing hubs in CLMV countries. In 2009, the ASEAN-India signed Trade in Goods Agreement that has open the way

⁹ Brahma, Ashok,” India’s Act East Policy: The North-East States of India with 3 C’s Formula”, IJIRSET, [18 4 India \(2\).pdf](#). Vol. 7, Issue 9, September 2018:10029.

for the creation of one of the largest FTAs. The two region also create Trade-in-Service and Investment Agreement and come inter into force in July 2015. The total export and import between India-ASEAN 2017-18 (Apr-Oct), India has export to ASEAN 166 469.50 and import 257 527,60. The bilateral trade has grown up very substantially from a low of USD 2.9 billion in 1993 to USD 59 billion currently. It has saw that the trade relation between two regions have increase day-by-day if compare to the past¹⁰.

1.3. India-ASEAN Relation

Southeast Asia got influence from India around 200 BC until around the 15th century including trade, cultural and political relations with some of Southeast Asia. Trade and the transmission of the Hindu and Buddhist religions were key elements of India's early interaction with Southeast Asian lands, including Myanmar (Burma), Thailand, the Indochina peninsula, Malaya, and Indonesia. In Cambodia, Thailand and Indonesia or Burma today, many symbolic remnants of India's influence are clearly visible in their art, culture and civilization. Through the centuries, India has been a source of inspiration for art, architecture, language (Sanskrit), religion (Hindu, Brahmin and Baddish), tradition (marriage, merit making and cremation), in some countries in today ASEAN. Buddhism became the main religion in many countries of Southeast Asia.

After the World War II era, India has become the second largest country in Asia and plays an active role as a promoter of Asian regionalism. In Southeast Asia, India's support for North Vietnam and its recognition of the Khmer Rouge regime of Heng Samrin in Cambodia did little to promote good relations between New Delhi and ASEAN. During the Cold War 1947-1991, India's decision to pursue a policy of non-alignment in international relations and support USSR policy called a pro-Soviet orientation was not recognized by ASEAN and the West countries.

¹⁰ Brahma, Ashok," India's Act East Policy: The North-East States of India with 3 C's Formula", IJRSET, [18_4_India \(2\).pdf](#). Vol. 7, Issue 9, September 2018:10030-10031.

Moreover, India also refused to participate in any regional security arrangements proposed by ASEAN. The different direction in their paths of progress in India and Southeast Asia also contributed to the drift away from each other. India started losing interest in Southeast Asia due to the intensity of cold war politics.

The disintegration of USSR in the end of Cold War remains India met financial crisis. On the contrary, it provided a welcome opportunity to India to reach out to Southeast Asia to capitalize upon its historical, cultural and civilization linkage with this region¹¹. So in the term of Prime Minister Narsimha Rao (1991–1996), he launched “The Look East Policy” that aim to settle his economic crisis by increase economic, political, investment and trade, and security tie with Southeast Asia.

Since ASEAN starts about a decade ago, the partnership between India and the Association of South East Asian Nations (ASEAN) comprising Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam has been developing at quite a fast pace.

India became a sectoral dialogue partner of ASEAN in 1992. Mutual interest led ASEAN to invite India to become its full dialogue partner during the fifth ASEAN Summit in Bangkok in 1995. India also became a member of the ASEAN Regional Forum (ARF) in 1996. India and ASEAN have been holding summit-level meetings on an annual basis since 2002.

In August 2009, India signed a Free Trade Agreement (FTA) with the ASEAN members in Thailand. Under the ASEAN-India FTA, ASEAN member countries and India will lift import tariffs on more than 80 per cent of traded products between 2013 and 2016, according to a release by the Ministry of Commerce and Industry.

¹¹Ashok Sajjanhar, Amb. “From Look East to Act East: India's growing engagement with ASEAN and beyond.” MEA India, April 26, 2018. <https://mea.gov.in/distinguished-lectures-detail.htm?749>.

In January 2010, Singapore, Malaysia and Thailand accepted the FTA on goods. The other seven ASEAN countries are expected to operationalize the FTA by August 2010.

India's trade with ASEAN countries has increased from US\$ 30.7 billion in 2006-07 to US\$ 39.08 billion in 2007-08 and to US\$ 45.34 billion in 2008-09. During April – September 2009-10, India's trade with ASEAN was US\$ 20.19 billion, according to data released by the Ministry of Commerce and Industry.

In 2008-09, India's exports to ASEAN totaled US\$ 19.14 billion. During April-December 2009-10, India exported goods worth US\$ 12.8 billion to ASEAN, according to data released by the Ministry of Commerce and Industry.

India imported goods worth US\$ 26.3 billion in 2008-09 from ASEAN. During the period April-December 2009-10, India's imports from ASEAN totaled US\$ 18.09 billion, according to data released by the Ministry of Commerce and Industry.

1.4. India-China Relation

India is known as the new tiger in Southeast Asia and competing with China power that is the other tiger in Southeast Asia. India and China are arguing over Galwan Dispute since 2020 that both countries are standoff soldiers with each other over Line of Actual Control which is not yet resolved. India and China have suspicious relation since Sino-India war in 1962 relates to border issue that remains two countries still have hesitate and untruthful relation. Their tension becomes bigger since China reoriented its foreign policy after financial crisis in 2008. India thinks that China new policy affects India's international interests. India's cooperation in Indo-Pacific create notice for China to assumes that India is trying to against its growing influence as the power country. However, if China and India try to understand each other international ambition, they may can stop army confrontation.

In the post-war Asian context, relation between China and India is good from the very beginning. China is found as People's Republic of China(PRC) in 1949 and India received its independence in 1947. On December 1949, India becomes the first country to recognize the PRC and China appreciated India by supporting China in Korean war, Taiwan issue bidding PRC seat at the UN at that time. The major agreement between two countries was in 1954 when India accepted China sovereignty on Tibet and trade and commercial linkage between them through Himalayan frontier defined. Their interaction widely stands for a word "Chini-Hindi bhai bhai" that means India and China are brothers¹².

Four broad themes in India's foreign policy since 1990 are restructuring of great power relations, reconnecting to the extended neighborhood, recasting the South Asian policy, and rethinking some of the core concepts like non-alignment. Whereas during the period of the Cold War India was one of the leaders of the non-alignment movement and therefore played a rather isolated role in world politics, it started to reformulate its position in the international system after the breakdown of communism. India has transformed their country's entire approach to global affairs. India developed strong bilateral ties to its neighboring countries as well as to global powers such as the USA and the EU and became engaged in international organizations¹³. In accordance with this new policy, India had created a new policy called "India Look East Policy" in 1991 and become awoken the interests by many scholars.

Beside the fact that China's economy and, consequently, its comprehensive national power had grown substantially, China's reach for markets and resources had also increased the pressure for more involvement in global affairs. There is a near-unanimous view in China that

¹² Ly, Zhang. "China-India Relation Strategic Engagement and Challenges." IFRI, September 2010. <https://www.ifri.org/sites/default/files/atoms/files/asievisions34zhangli.pdf>.

¹³ Mohan, Raja. "Foreign Policy after 1990: Transformation through Incremental Adaptation." OXFORD HANDBOOKS ONLINE, Dec 2015. <https://www.oxfordhandbooks.com/view/10.1093/oxfordhb/9780198743538.001.0001/oxfordhb-9780198743538-e-10>

the global financial crisis exposed Western vulnerabilities and created space for the rise of China. Then U.S. president Barack Obama's policy of rebalancing to Asia, were also factors that favored review and readjustment of foreign policy. "Striving for achievement" which is the phase of Fen Fa You Wei, it was recommended that the focus of Chinese foreign policy should shift from building relations primarily on the basis of mutual trust to building relationships based upon common interests and that China should give equal priority to the neighborhood in comparison to the earlier period when it gave pride of place in its foreign policy to the United States. The results of this intellectual churning became evident after Xi assumed the presidency and convened a conference on diplomatic work with neighboring countries in October 2013.

He declared that

doing well in the diplomatic work with neighboring countries stems from the need to realize the 'two centenary' goals and achieve the great rejuvenation of the Chinese nation. China needs to work hard to advance diplomacy with neighboring countries, strive to win a sound surrounding environment for China's development and enable neighboring countries to benefit more from China's development for the purpose of common development.¹⁴

India's responses to China's new foreign policy (One Belt and Road) where it appeared to affect India's interests, regionally and multilaterally, seemed to cause consternation and disquiet in Beijing. China's leaders felt that while they had done nothing detrimental to India's interests, India was responding in ways that could be detrimental to them.

Indian experts generally concur that foreign policy came under governmental review in India a decade before China reviewed its own policy. The policy of nonalignment, or equidistance, had become outdated by the late 1990s and changed to work on the two tracks: building a strategic relationship with the United States and

¹⁴ GOKHALE, VIJAY. "The Future of India-China Relations." March 10, 2021. <https://carnegieindia.org/2021/03/10/road-from-galwan-future-of-india-china-relations-pub-84019>.

developing the modalities for engagement with China. In India's view, China is always mentioned as the major power, whereas for China, India is as the developing country and neighbor and not concern for China's foreign policy. China's growing footprint in South Asia was also viewed negatively by strategic experts. China was the only major power seemingly unreconciled to India's rise. India has always acknowledged China as a major power from the very beginning.⁵⁶ India was also steadfast in its support for China's membership in the United Nations and the World Trade Organization¹⁵.

¹⁵ *ibid*

CHAPTER II: LEP AND AEP TOWARD ASEAN

2.1. Steps for and Assertive Act East Policy

Need for Competitive Manufacturing

- Act East Policy seeks economic integration of India's economy with global supply chains which are concentrated in Southeast Asia and East Asia
- In order to become a manufacturing hub, India should do holistic reforms to make its manufacturing competitive (India hasn't witnessed major reforms since 1991)
 - In this context there is a need for capital sector reforms, labor reforms, easing of land acquisition, and bridging infrastructure deficit.
 - The responsibility of carrying out these reforms lies with both the private sector and the government
- This will also help India to check its trade deficit
- A balanced, fair, and equitable trade relationship is critical for a resounding Act East Policy¹⁶.

2.2. Strategic Angle of Act East Policy

- Indo pacific:
 - For India, the centrality of ASEAN and Southeast Asia is essential for peace and prosperity of the Indo-Pacific region. Its engagement with the 10 nation bloc is at the core of New Delhi's strategic perspective for the region and its Act East policy.
 - Widening the security cooperation under the proposed quadrilateral coalition, officials of India, the US, Japan and Australia had held extensive talks on the

¹⁶ Act East Policy of India, Launched in 2014-A Comprehensive Overview. BYJU'S, (n.d.). Retrieved from <https://byjus.com/free-ias-prep/act-east-policy/>

sidelines of the ASEAN summit in Manila for pursuing common interests in the strategically important Indo-Pacific region.

- China factor:
 - China’s aggressive posturing in the South China Sea and growing influence in the Indian Ocean region, India’s focus on Act East policy is necessity.
- Maritime goals:
 - India and the ASEAN countries are maritime nations, and their goal is to evolve a regional architecture based on the twin principles of shared security, and shared prosperity.
 - Both India and ASEAN share a common vision for global commerce and the maritime domain.
- Both the parties working closely with the regional bloc in a range of activities like developing a blue economy, coastal surveillance, building off-shore patrolling capabilities, hydrographic services, and information sharing for increased maritime domain awareness.
- ASEAN:
 - Both India and ASEAN have a common vision for the future, built on commitment to inclusion and integration, belief in sovereign equality of all nations irrespective of size, and support for free and open pathways of commerce and engagement.
 - Along the way, from dialogue partners, ASEAN and India have become strategic partners.
 - Both have broad-based partnership through 30 mechanisms. Partnership in ASEAN-led institutions like the East Asia Summit, ADMM + (ASEAN Defense

Ministers Meeting-Plus) and ARF (ASEAN Regional Forum) is advancing peace and stability in the region.

- Range of key issues including effectively tackling threat of terrorism, boosting maritime security cooperation and enhancing connectivity were the other areas of deliberations at the India-ASEAN commemorative summit.
 - For ASEAN, India not only offers a huge domestic market with growing aspirational middle class but also a growing working population which is not the case with other economies such as Korea, Japan or China where the working population is on the decline.
 - Focusing on trade in services with ASEAN will give India an opportunity to use its competitive strength to become a services export hub to the ASEAN region.
 - Further, being a part of the AEC (ASEAN Economic Community), RCEP and having strong relations with ASEAN through the existing FTA will not only facilitate further economic reforms in India but also assist the country in establishing itself as a growing economic power in Asia.
- Indonesia:
 - Indonesia remains a key player within Southeast Asia for several reasons. Most clearly, Indonesia will be essential in extending India's maritime outreach. It has a total of maritime areas of 6,400,000 square kilometers, including its Exclusive Economic Zone (EEZ).
 - The distance from India's Andaman Islands to Indonesia's Aceh province is barely 80 nautical miles, underscoring the importance to both India and Indonesia of the importance of enhanced maritime cooperation for the Indo-Pacific region.

- The two navies have partnered in naval exercises for several years now with naval ships patrolling between the Andaman Sea and Malacca Straits.
 - Both countries emphasize also the importance of rule of law, in particular the 1982 UN Convention on the Law of Sea (UNCLOS)
 - Indonesia has also shown some interest in joining the Bay of Bengal initiative, which appears sensible both from an economic and security perspective
 - India has also shown interest in joining the Malacca Straits Patrol (MSP), a four-nation arrangement between Indonesia, Malaysia, Singapore, and Thailand for exchange of Intelligence, and coordinated air and sea patrol through the Malacca Straits.
- Vietnam has extended and Indian oil concession in the South China Sea to India.
 - Singapore:
 - Singapore is a window to the heritage of India’s ties to the region, the progress of the present and the potential of the future. Singapore was a bridge between India and ASEAN.
 - RCEP:
 - India is also interested in the Regional Comprehensive Economic Partnership agreement, seeking a comprehensive, balanced and fair agreement for all 16 participants.
 - Myanmar and Thailand:
 - Stronger relations between India and Myanmar have also helped to quell insurgency and extremism in the north-eastern states of India. Peace, stability and security of north-east India will be further preserved and promoted with more robust ties and understanding with Myanmar

- Connectivity projects, viz., the Trilateral Highway between north-east India and Myanmar and onwards to Thailand (and Laos and Vietnam) as well as the Kaladan multi-modal transit and transport project, have been under implementation for several years¹⁷.

2.3. Progress made under Act East Policy

- **Engagement with ASEAN:** ASEAN-India engagement has become deeper and has scaled new heights. India is now the 4th largest trading partner of ASEAN. Southeast Asian countries favor India's increased involvement to counter China's expansionist policies in the region. India has allocated \$1 billion for promoting connectivity at the India-ASEAN Summit.
- **Strong relations: with neighbors:** India has not only developed strong bilateral relations with countries such as Bangladesh, Mauritius, Myanmar, Sri Lanka, Singapore, Vietnam, etc. but also steering a number of sub-regional programs and projects such as the BBIN, Myanmar-Thailand Trilateral Highway etc. and is actively contributing to the success of several regional initiatives.
- **North-East investment:** The Act East Policy focuses mainly on the Northeast region. Recently, Japan has shown interest in investing in the North-East. The Government of Japan has decided to invest around Rs 13,000 Crore in several ongoing as well as new projects in different states of India's North- Eastern region.
- **Security Engagement:** Defense cooperation has increased with East Asian countries. In 2014, India and Vietnam signed a Memorandum of Understanding (MOU) that

¹⁷ THE BIG PICTURE-INDIA'S ACT EAST POLICY. InsightsIAS, November 22, 2019. Retrieved from <https://www.insightsonindia.com/2019/11/22/rstv-the-big-picture-indias-act-east-policy/>

opened up a line of credit for Vietnam to purchase defense equipment from India. Since 2015, India has carried out joint maritime-law enforcement patrols and military exercises with ASEAN countries.

- **Far East involvement:** Recently, India has reached out to Far East economies especially Russia. India has announced to extend a \$1 billion line of credit towards the development of the Russian Far East. This is important as it is an energy rich region and would help India's economic growth¹⁸.

2.4. Initiatives to Enhance Connectivity

- Agartala-Akhaura Rail Link between India and Bangladesh.
- Intermodal transport linkages and inland waterways through Bangladesh.
- Kaladan Multimodal Transit Transport Project and the Trilateral Highway Project connecting the North East with Myanmar and Thailand.
- Under India-Japan Act East Forum, projects such as Road and Bridges and modernization of Hydro-electric power projects have been undertaken.
 - India-Japan Act East Forum was established in 2017 which aims to provide a platform for India-Japan collaboration under the rubric of India's "Act East Policy" and Japan's "Free and Open Indo-Pacific Strategy".
 - The Forum will identify specific projects for economic modernization of India's North-East region including those pertaining to connectivity, developmental infrastructure, industrial linkages as well as people-to-people contacts through tourism, culture and sports-related activities¹⁹.

¹⁸ The 'Act East' policy has not brought the expected gains for India. Do you agree?. Forum IAS. (n.d.). Retrieved from <https://blog.forumias.com/answeredthe-act-east-policy-has-not-brought-the-expected-gains-for-india-do-you-agree/>

¹⁹ India's Act East Policy. Drishti. (n.d.). Retrieved from <https://www.drishtiias.com/daily-updates/daily-news-analysis/india-s-act-east-policy-1>

2.5. Road Connectivity and Trade

India helped Myanmar in completing 160 km of the Tamu– Kalewa–Kalemyo sector of the proposed Trilateral Highway that seeks to link India, Myanmar, and Thailand.

- By pursuing the Mekong–India Economic Corridor (MIEC) project, India seeks to get access to Laos, Cambodia, and Vietnam
- BCIM economic corridor, a highway linking Kolkata in India to Kunming in Yunnan province of China
- The Kaladan Multi-Modal Transit Transport Project, between India and Myanmar
- access to sea ports in Bangladesh that would link the North East to South East Asian countries, and also to mainland India²⁰.

2.6. Other Initiatives

- Assistance extended in the form of medicines/medical supplies to ASEAN countries during the pandemic.
- Scholarships with offers of 1000 PhD fellowships have been offered at IITs for ASEAN countries participants.
- India is also implementing Quick Impact Projects in Cambodia, Laos, Myanmar and Vietnam to provide development assistance to grass-root level communities in the fields of education, water resources, health etc.
 - Quick Impact Projects (QIPs) are small-scale, low-cost projects that are planned and implemented within a short timeframe²¹.

²⁰Act East Policy. INSIGHTSIAS. (n.d.). Retrieved from <https://www.insightsonindia.com/wp-content/uploads/2016/12/Act-East-Policy.pdf>

²¹ India's Act East Policy. Drishti. (n.d.). Retrieved from <https://www.drishtias.com/daily-updates/daily-news-analysis/india-s-act-east-policy-1>

2.7. PM Modi Underline Centrality of ASEAN in India's Act East Policy

On November 2020, India and the Association of Southeast Asian Nations (ASEAN) on Thursday emphasized the need to build on convergences and synergy to maintain peace and security in the Indo-Pacific, against the backdrop of China's growing assertiveness across the region. The situation in the South China Sea, where China is engaged in disputes with several ASEAN members.

“India and ASEAN share a vast maritime space in the Indo-Pacific and ASEAN is at the centre of this space. There is great convergence and synergy between our visions of the Indo-Pacific as articulated in the ASEAN outlook for the Indo-Pacific and India's Indo-Pacific Oceans Initiative,” said secretary (East) Riva Ganguly Das of the external affairs ministry.

“We seek to build on this convergence for maintaining peace, security and sustainable development of the Indo-Pacific and ensuring security and growth for all in the region,” she told a news briefing after the summit.

While addressing the summit, Modi underlined the centrality of ASEAN in India's “Act East” policy and said a cohesive and prosperous ASEAN is also central to India's Indo-Pacific vision. He called for strengthening convergence between India's Indo-Pacific Oceans Initiative and ASEAN's outlook on Indo-Pacific to “ensure a free, open, inclusive and rules-based” region.

PM Modi announced a contribution of \$1 million to the Covid-19 ASEAN Response Fund and reiterated New Delhi's offer of a \$1-billion line of credit to support connectivity between ASEAN states. He also called for an early review of the ASEAN-India Trade in Goods Agreement.

Asked specifically if China's aggressive actions, which have affected both India and ASEAN states, had figured in the summit, Ganguly Das said all regional issues of concern were discussed, including the situation in the South China Sea.

“Both ASEAN and India agreed on the importance of maintaining and promoting peace, stability and security in the South China Sea, and reaffirmed the importance of upholding international law, including the 1982 UN Convention on the Law of the Sea²².

2.8. Act East Policy of India-Institutional Mechanisms & Regional Forums

To build greater cooperation between India & ASEAN the following institutional mechanisms are used to forge stronger partnerships.

- Annual Summit Level Meetings
- India is an active member of the East Asia Summit
- 30 Sectoral Dialogue Mechanisms
- India has become an active member of ARF (ASEAN Regional Forum)
- India has also been involved with other regional forums like the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Mekong Ganga Cooperation, Asia Cooperation Dialogue and the Indian Ocean Rim Association (IORA)²³.

2.9. Achievements and Opportunities of LEP and AEP

2.9.1. Achievements

a. Free Trade Agreement (FTA)

²² PM Modi Underlines Centrality of ASEAN in India's Act East Policy. ERIA, November 12, 2020. Retrieved from <https://www.eria.org/news-and-views/pm-modi-underlines-centrality-of-asean-in-indias-act-east-policy/>

²³ Act East Policy of India, Launched in 2014-A Comprehensive Overview. BYJU'S, (n.d.). Retrieved from <https://byjus.com/free-ias-prep/act-east-policy/>

The signing of the India-ASEAN Free Trade Agreement on August 13, 2009 at Bangkok is regarded as the crowning glory of India's LEP. The agreement was only for trade-in-goods and did not include software and information technology. Two-way trade between India and ASEAN was \$47 billion in 2008 against the estimation of \$10 billion.

b. ASEAN-India Summit

The 7th ASEAN India Annual Summit was held on October 24, 2009. The India-ASEAN business delegates meet and interact to enhance the trade relations.

c. East Asia Summit (EAS)

The 4th EAS summit was held at Thailand on October 2009. India's proposal for establishment of the Nalanda University in Bihar is under active consideration of the EAS.

d. Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC)

India has played leading role in this grouping. It was established on June 06, 1997 taking Myanmar, Thailand, Sri Lanka, India and Bangladesh. The Second BIMSTEC summit was held in New Delhi in November 2008. India has set up a Tsunami warning centre to share information with the BIMSTEC countries. Various Agreements in goods. In the Myanmar BIMSTEC ministerial summit, climate change issue was included in its Agenda.

e. Mekong Ganga Cooperation (MGC)

The MGC concept was initiated by India in 2000 in Vientiane (Lao) consisting Myanmar, India, Thailand, Laos, Cambodia and Vietnam. This project aims at revitalizing and developing trade, tourism communications and transport. The MGC has undertaken the “Asian Highway Project” to link up Singapore with New Delhi in South Asia.

f. Bilateral Relation

- India-Myanmar bilateral ties: on 14th October 2011, India’s PM Dr. Singh visited Myanmar President which aim to boosters its ties with Myanmar by offering additional \$ 500 million loans. The talk agreed to examine the feasibility of establishing Railway links and speed up work on two hydel projects in Myanmar. Beside other matters, they agreed to boost up cooperation in the oil and natural gas sectors.
- India-Vietnam: On 12th day of October 2011, India and Vietnam signed six agreements which includes a pact to promote oil exploration in South China Sea. In this regard it may be mentioned here that the China raised objections to India exploring for oil in the South China Sea, claiming that it was a part of China. India and Vietnam rejected China’s claim, because as per UN the Blocks belong to Vietnam. In the field of security cooperation, the two nations instituted mechanism of a biennial dialogue on security issues. The two countries also decided to increase the trade target to \$ 7 billion by 2015 from the present mark of \$ 2.7 billion.

- **India-Malaysia agreement:** On 18th February 2011, India signed a Comprehensive Economic Cooperation Agreement (CECA) with Malaysia in Kuala Lumpur. The agreement gives India's doctor and accountants, apart from two wheelers, cotton garments and basmati rice greater access to the Malaysian Market.

2.9.2. Opportunities

- **Economic Partnership:** The increasing of economic linkages with ASEAN countries will be the way to undo the post-independence development deficit in the Indian North Eastern region.
- **Infrastructure Investment:** The increasing infrastructure Investment in the region and in its international surroundings under the foreign policy objective, for example, Asian Highways project, transport and communication in the region.
- **Historical cultural:** Cultural histories of India that are shared across the Southeast Asia region will be the way to build closer connections between India and ASEAN.
- **Covid-19 Pandemic Opportunity:** India had eschewed a piecemeal strategy and broadened the scope of COVID-19 outreach both short and medium to long term East ward to strengthen its Act East Policy, fortify its credibility in Southeast Asia and balance Chinese intervention. India has donated COVID-19 related assistance supplies such as medical supplies, HCQ

tablets, masks, paracetamol tablets, vaccines and rapid test kit to some countries in ASEAN²⁴. The COVID-19 crisis will provide a chance for New Delhi for fix some of credibility deficit at both the institutional and popular levels in Southeast Asia. A long-term impact of pandemics will help India to build a good relation with ASEAN to be more effective, strong and more outcome-oriented. AEP would automatically entail greater engagement, including smoother connectivity and higher people to people contact.

- **Digital Economy:** The use of Online education, telecommunication, e-commerce, and telemedicine are all the opportunities for Indian investors, especially expertise in the field information technology (IT) to start their business due to over 400 million internet users in the region.²⁵
- **E-commerce to be the driver of digital growth:** The pandemic has changed the purchasing behavior of ASEAN consumers, resulting in many turning to e-commerce for their basic needs. This has forced retailers and producers in the region to factor e-commerce into their operations. This is also the opportunity for India to expand their products for export based on people in Southeast Asia needs.

2.10. Challenges and Suggestions for AEP

2.10.1 Challenges

²⁴ Choudhury and Nagda, "India's COVID-19 Opportunity in Southeast Asia", June 04,2020, [India's COVID-19 Opportunity in Southeast Asia – The Diplomat](#). Accessed on 20, June,2021.

²⁵ ASEAN BRIEFING," Opportunities for Indian Manufacturers in ASEAN", July 02,2021. [Opportunities for Indian Manufacturers in ASEAN \(aseanbriefing.com\)](#).

– **The Rise of China**

The great growth of economic and trade of China in the Southeast Asia region, so ASEAN countries want India to balance China's enhanced power. India's economic slowdown and inward orientation, expressed through the decision to stay out of the Regional Comprehensive Economic Partnership (RCEP) agreement. There is disappointment in the region with India's economic policies. India was the only country that withdrew from the recent Regional Comprehensive Economic Partnership (RCEP) deal²⁶. The important economic agreements that India signed with East Asian countries are rather scarce. So far, India has only signed a memorandum of cooperation with South Korea on ocean and fisheries.

– **Impact of COVID-19 pandemic and growth of China's influence**

Regarding handling of pandemic, China has handled the challenge efficiently while India is facing of COVID-19 and seems to have bungled. This has generated a pro-China sentiment among the region's ethnic Chinese communities and development of ASEAN's increasingly accommodative approach towards China.

– **Concerns about Hindu Majoritarianism**

The growth of Hindu Majoritarianism in India has impacted civil society attitudes in countries like Indonesia, Malaysia, Thailand and Singapore. India used the soft power of "Buddhist diplomacy" for promote his religious to other countries, but that too has not gained much traction as inter-religious tensions in the region grow.²⁷

2.10.2. Suggestion for AEP

– **Reviewing RCEP Decision**

²⁶ Drishti, "Reviewing Act East Policy", 26, May, 2021. [Reviewing Act East Policy \(drishtias.com\)](https://www.drishtias.com), Accessed on July 15, 2021.

²⁷ *ibid.*

By seeing India's economic power and value as a big market, the RCEP member want India to decide on join the RCEP and they have left the door open for India to invite to be an observer member. Given the global economic scenario in present times and the near future, it would be in India's interest to dispassionately review its position on RCEP and carry out structural reforms.

– **Tackling China**

Just like China is showing its assertiveness in the Indian Ocean, India must increase its obligation in the South China Sea. In this context, India's engagement with the Quadrilateral Security Dialogue (Quad) countries such as United States, Japan, Australia and ASEAN countries is a step in the right direction. Recently, the Indian prime minister proposed an "SAGAR (Security & Growth for ALL in the Region) Initiative" for the safe, secure and stable maritime domain. This initiative is focuses on creating partnerships among interest states in enhancing maritime security, sustainably using marine resources, disaster prevention and management.²⁸

– **Leveraging Soft power**

India is richly endowed with a wide range of soft power that better used to advance its foreign policy interest. Cultural and civilizational linkages are India's niche advantage while pursuing Act East Policy. Thus, policymakers should refrain from such policies that appears to be majoritarian in nature.

²⁸ *ibid.*

CHAPTER III: ACT EAST POLICY: FUTURE ANALYSIS

3.1. Future perspective analysis

The COVID-19 pandemic has changed the form of structured of the world political and economic picture. It changed the relationship between economic market, state and society. India has ever been seen as the anchor economic in its neighbors. Although, after the COVID-19 pandemic has affected, India gets serious matter that makes India must reform its programme to set new geopolitical dimension for the next decade for economic growth. In 2020, India provides medical supplies to at least 123 countries include three countries in ASEAN: Viet Nam, Singapore and Indonesia that face higher crisis of COVID-19 pandemic²⁹. India has also agreed to supply HCQ tablets to Malaysia and received a donation of 30,000 COVID-19 testing kits from a Singaporean company. The Indian embassy in Manila has supplied masks, sanitizers, and medicines to Philippine government officials, university students, and regular citizens. In 2021, India has helped provide covid-19 vaccine supplies to 95 countries include Cambodia, Lao and Myanmar who need this vaccine. Until around May 2021, India meets a very serious covid-19 wave that it never met before that make India does not have enough oxygen supplies, lack of place for covid-19 sicker and place to buries the dead body. However, the pandemic thus offers New Delhi an opportunity to ramp up its public diplomacy in Southeast Asia and show its willingness — and wherewithal — to undertake mutually-beneficial collaborations. Ultimately, this would help New Delhi broaden and deepen the scope of AEP and secure greater legitimacy for future regional projects. This crisis will help India's role in Plan of Action (POA) which is the plan created by India and ASEAN focus on Peace, Progress and Shared Prosperity 2021-2025.

²⁹ Choudhury and Nagda, "India's COVID-19 Opportunity in Southeast Asia", June 04,2020, [India's COVID-19 Opportunity in Southeast Asia – The Diplomat](#). Accessed on 20, June,2021.

3.1.1. Plan of Action (2021-2025)

The Plan of Action (POA) guides the implementation of ASEAN-India Strategic Partnership towards achieving the goals and objectives of the ASEAN-India Partnership for Peace, Progress and Shared Prosperity on 30 November 2004, the Vision Statement of the ASEAN-India Commemorative Summit in 2012, Delhi Declaration of the ASEAN-India Commemorative Summit to mark the 25th Anniversary of ASEAN-India Dialogue Relations in 2018.

ASEAN and India will work further to support the ASEAN community building and integration process, including ASEAN 2025 which focus on forging ahead together for a politically cohesive, economically integrated, socially responsible and a truly people-oriented, people-centered and rules-based ASEAN, narrowing the development gap and enhancing ASEAN Connectivity. Both ASEAN and India will also promote cooperation with each other to address all common concern to contribute to overall peace, stability and prosperity. The Indo-Pacific (AOIP) is also a key to push the ASEAN-India cooperation through the existing ASEAN-led mechanisms in the for key areas outlined in the Outlook.

a) Political and Security Cooperation

Political Cooperation

- Strengthen the existing mechanisms for consultation and cooperation between ASEAN and India
- Strengthen the EAS, with ASEAN as the driving force, as a premier Leaders-led forum for dialogue and cooperation on broad strategic, political and economic issues
- Continue to support ASEAN Centrality in the regional architecture, as well as further promote shared values and norms

- Promote Delhi Dialogue to intensify and broaden India’s engagement with ASEAN
- Promote collaboration and coordination in other multilaterals frameworks and for a, including the UN and other bodies within the UN System, Asia-Europe Meeting (ASEM)

Security Cooperation

- Continue India’s active participation at and co-chairing of joint exercises and activities in the frameworks of the EAS, ARF, and the ADMM-Plus
- Strengthen the cooperation to address the challenges facing the region through the ADMM-Plus in the areas of maritime security, military medicine, counter-terrorism, humanitarian assistance and disaster relief, peacekeeping operations, humanitarian mine action and cybersecurity
- Promote cooperation in addressing humanitarian aspects of land mines and other explosive remnants of war issues in the region through the ASEAN Regional Mine Action Center (ARMAC)

Maritime Cooperation

- Promote maritime security and safety, freedom of navigation and overflight, unimpeded commerce, mutual trust and confidence, exercise of self-restraint, the non-use of force or of the threat to use force, and the resolution of disputes by peaceful means, in accordance with universally recognized principles of international law
- Explore cooperation, where appropriate, to promote common principles, objectives and elements between the ASEAN Outlook on the Indo-Pacific and the Indo-Pacific Oceans Initiative (IPOI)

- Promote maritime cooperation, including maritime security, counter piracy, maritime safety and search and rescue (SAR) cooperation, and information sharing

Transnational Crime and Counter-Terrorism

- Enhance cooperation to support the implementation of the ASEAN Plan of Action in Combating Transnational Crime (2016-2025), continue to convene regular ASEAN Plus India Senior Officials' Meeting on Transnational Crime (SOMTC + India)
- Explore possible cooperation between ASEAN and India in the area of cybercrime
- Deepen cooperation in combating international terrorism and addressing the rise of radicalization and violent extremism
- Convene the ASEAN Senior Officials on Drug matters (ASOD) + India Consultations on a regular basis and support ASEAN's efforts in the implementation of ASEAN Work Plan on Securing Communities Against Illicit Drugs 2016-2025

Economic Cooperation

Trade and Investment

- Continue efforts to make the ASEAN-India Free Trade Area (AIFTA) more user-friendly, simple, and trade facilitative for businesses
- Work towards the ratification by all parties of the ASEAN-India Investment Agreement to facilitate further economic integration between ASEAN and India

- Enhance economic cooperation through capacity building and technical assistance programmes, workshops and seminars
- Enhance private sector engagement and business-to-business relations
- Promote and facilitate cross-border investment flows into ASEAN Member States and India
- Promote MSME development through capacity building, technical cooperation mechanisms, and business matching activities in order to further integrate MSMEs in the global and regional value chains

Finance

- Explore strengthening cooperation to improve on financial infrastructure development and capital market development with view to promoting sustainable growth
- Support regional financial development and integration through initiatives that promote greater financial inclusion and stronger financial stability

Energy

- Support the implementation of the ASEAN Plan of Action on Energy Cooperation (APAEC) 2016-2025
- Explore cooperation, including through the private sector, to promote energy security through regional power integration and the development of renewable and alternative energy sources as well as promotion of clean energy technologies and energy efficiency and conservation practices;
- Promote best practices on energy regulatory frameworks and technical standards, consistent with the APAEC, including technology transfer and capacity building support for the programme area to realize multilateral

power trade in the ASEAN Power Grid and greater integration of renewables into the grid

Transport

- Forge closer cooperation to enhance transportation infrastructure, networks and operations
- Deepen cooperation on technical, economic and regulatory matters of aviation, including the convening of ASEAN-India Working Group Meeting on Regional Air Services Arrangement
- Promote maritime transport cooperation between ASEAN and India, and encourage potential private sector participation in the development of seaports, maritime logistics network and maritime services in order to create greater efficient linkages

Food, Agriculture and Forestry

- Promote networking and cooperation between government authorities concerned, together with agriculture and food experts, scientists and laboratories, and agriculture and food-related academic institutions, farmers including farmers' organizations and communities, and traders of ASEAN and India
- Promote responsible fishing practices and to combat illegal, unreported and unregulated fishing, particularly in order to sustain fisheries resources and promote inland fisheries and aquaculture best practices to ensure food security, eradicate poverty and to optimize the benefit of to the people and economies in the region

- Promote investment, capacity building, research and development, technology and innovation, sustainable management, and sharing of information, experience and best practices in the food, agriculture, forestry and fisheries sectors as well as in coastal management
- Support the implementation of the Multi-sectoral Framework on Climate Change: Agriculture and Forestry Towards Food and Nutrition Security and Achievements of Sustainable Development Goals (MSFCC), including through deeper cooperation in capacity building and sharing of information, experience and best practices

Information and Communication Technology (ICT)

- Promote further ICT cooperation through relevant mechanisms, including capacity building and knowledge sharing, in areas such as e-commerce, Artificial Intelligence, Fourth Industrial Revolution, Internet of Things (IoT) & 5G, ICT in Disaster Management, Creating smart societies through ICT, Cyber Forensics, Next Generation Transmission Technologies, Future Trends in Mobile Communication, Advanced Satellite Communication and Regulatory and Policy issues
- Strengthen cooperation, capacity building, and policy coordination on cybersecurity, including in personal data protection and support the implementation of the ASEAN Cybersecurity Cooperation Strategy by engaging relevant ASEAN mechanisms and institutions
- Promote sustainable and inclusive economic growth and prosperity through increasing digital trade, entrepreneurship, preparing MSMEs for digital

transformation and developing a digital-ready workforce equipped for the Fourth Industrial Revolution

Tourism

- Enhance consultations between ASEAN and India to promote tourism cooperation, such as in the areas of joint marketing and promotion, sharing of best practices and expertise related to human resource development, practicing sustainable and responsible tourism, tourism information exchange, crisis communications, tourism investment, joint promotion in the areas of niche markets and promotion of tourism standards
- Enhance engagement between private sectors from ASEAN and India, through the participation in the annual ASEAN Tourism Forum (ATF), ASEAN TRAVEX, professional international travel marts held in ASEAN Member States and India, in order to create more opportunities for joint promotion of integrated tourism markets and joint investment
- Strengthen ASEAN-India capacity building programs in the tourism sector through seminars, workshops, trainings and language courses for tourism professionals;

Science, Technology and Innovation

- Strengthen cooperation and cross-sectoral collaboration in science and technology, including but not limited to joint research and development projects, and support implementation of the ASEAN Plan of Action on Science, Technology and Innovation (APASTI) 2016-2025, such as in the areas of health, environmental management, climate change adaptation and mitigation measures, agricultural technologies, alternative energy,

biodiversity, food processing, advanced materials for development of value-added products, and space technology and applications;

- Promote cooperation in biotechnology including through capacity building and joint research and development for mutual benefit
- Encourage more programmes and projects under the ASEAN-India Science and Technology Development Fund;

Socio-Cultural Cooperation

Disaster Management and Emergency Response

- Strengthen cooperation to support the implementation of the ASEAN Agreement on Disaster Management and Emergency Response and support the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre)
- Encourage cooperation with India on disaster management and humanitarian assistance under the ambit of the ASEAN-India framework, particularly on sharing of experiences and best practices in the areas of disaster prevention and mitigation, preparedness, response and recovery
- Encourage regular consultations between the ASEAN Committee on Disaster Management (ACDM) and India to facilitate synergy among multilateral cooperation mechanisms on disaster management

Environment, Climate Change and Biodiversity

- Promote the exchange of knowledge and experience on environmental management, climate change and biodiversity

- Provide support for conservation and sustainable management of ASEAN’s terrestrial and aquatic environment with focus on restoration of degraded and fragile ecosystems
- Promote strengthening of networking and cooperation between relevant stakeholders as well as exchange of knowledge and capacity building to build a clean and green ASEAN Community
- Support the implementation of the Bangkok Declaration on Combating Marine Debris in ASEAN Region, the ASEAN Framework of Action on Marine Debris, and the 2018 EAS Leaders’ Statement on Combatting Marine Plastic Debris
- Provide support for conservation and sustainable management of land and forests

Public health

- Promote sharing of information in the field of public health, medicine, health education and health promotion relevant to the health priorities of the ASEAN Health Sector under the clusters of promoting healthy lifestyles; responding to all hazards and emerging threats; strengthening health systems and access to care; and ensuring food safety

Education, youth, culture and people-to-people exchange

- Continue to enhance cooperation in educational exchanges and sharing of knowledge, focusing on women, children and youth to promote greater awareness and appreciation of ASEAN-India relations and people-to-people ties

- Strengthen the promotion of women and youth participation in programmes or projects that contribute to human development, digital skills development, education, social protection, and addressing gender issues in local governance as well as in natural and human-induced disasters
- to support ASEAN capacity building through Indian scholarship programmes, the exchange of teachers and lecturers, joint research and university partnerships, in collaboration with ASEAN University Network (AUN) and other regional higher education networks
- Further increase the number of fellowships for ASEAN students, to pursue higher education in India and provide scholarships in areas of mutual interests, including the performing and visual arts
- Further promote understanding of cultures of ASEAN and India through continuing media exchange programmes and people-to-people initiatives
- Continue to promote the study, as well as the documentation and dissemination of knowledge, about the civilizational links between ASEAN and India

Cross-Pillar Cooperation

Initiative for ASEAN integration and narrowing the development gap

- Continue to support ASEAN's efforts in narrowing the development gap within and between ASEAN Member States, through the implementation of IAI Work Plan IV (2021-2025) as well as alleviating poverty and promoting sustainable development in order to realize the ASEAN Community and regional integration
- Continue to support the CLMV Countries, in wider areas, among others, human resources development, rural household electrification programmes, information

technology curriculum and IT teacher trainings, and further increase the number of fellowships and scholarships

Connectivity

- Enhance cooperation to strengthen the ASEAN Connectivity agenda, through the implementation of the Master Plan on ASEAN Connectivity (MPAC) 2025
- Continue to undertake consultations and dialogue, as necessary, between ASEAN and India on connectivity issues through the ASEAN Connectivity Coordinating Committee (ACCC) and other relevant ASEAN sectoral bodies, as appropriate
- Work closely to promote physical connectivity in the region by completing the missing links between South and Southeast Asia, including, but not limited to, expediting the completion of relevant sections of the India-Myanmar-Thailand trilateral highway and supporting steps to build an economic corridor along it and its extension to Cambodia, Lao PDR, and Viet Nam; and encouraging private sector participation in the development of roads and railways and relevant logistics networks
- Promote quality, sustainable and transparent infrastructure development of robust standards to achieve a seamlessly connected and integrated ASEAN and to ensure sustainable socio-economic growth and development
- Increase the supply of investment-ready infrastructure projects in ASEAN Member States by supporting project planning and preparation facilities, enhancing investment and business environments and providing targeted technical assistance and capacity building

- Facilitate access towards sustainable and innovative financing as well as supporting sustainable urbanization to contribute to the implementation of MPAC 2025

Smart cities

- Support and collaborate with the ASEAN Smart Cities Network (ASCN) in building communities that are resilient, innovative and well-connected through technological advancement; ASEAN institutional strengthening
- Support ASEAN's efforts to implement measures aimed to build capacity in the ASEAN Secretariat

Sustainable development cooperation

- Strengthen dialogue and cooperation on sustainable development to promote complementarities between the ASEAN Community Vision 2025 and the UN 2030 Agenda for Sustainable Development including through information sharing, exchange of best practices and capacity building in areas of poverty eradication, infrastructure and connectivity, sustainable management of natural resources, sustainable consumption and production and resilience
- Support ASEAN institutions and mechanisms that help facilitate sustainable development cooperation in the region, including but not limited to the ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD) in Thailand and the ASEAN Institute for Green Economy in Myanmar

Implementation mechanism

- This Plan of Action may be implemented under appropriate funding support through the governments of ASEAN Member States and India, including the

ASEAN-India Fund, the ASEAN-India Green Fund and the ASEAN-India Science and Technology Development Fund

- Regularly review the progress of implementation of the Plan of Action through the existing mechanisms of the ASEAN-India Dialogue Relations
- Submit progress reports on the implementation of the Plan of Action to the annual ASEAN Post Ministerial Conference (PMC) + 1 session with India.

3.2. Challenges and Opportunities

- Act East Policy will also have to meet the challenge of how to deal the proposed Trans-Pacific Partnership (TPP), led by the USA with 12 Asian-Pacific countries that include some ASEAN countries, Japan, Australia and New Zealand. If China joins the TPP, then India will be marginalized. The trade between China with ASEAN, US and Japan is high. India is way behind but can hope to catch up.
- Act East Policy is likely to spring up is security. The rise of China has led to a military buildup in Asia and arms transfers have gone up manifold, underlining the unstable security situation.
- China's Maritime Silk Route proposal involves building ports and other infrastructure assets in the sub-continent.
- The third wave of Covid-19 has seriously affected in India. India met many problems such as health care, GDP is drop down, and the trade is stuck.
- ASEAN is already cooperation China, Japan, and South Korea through the ASEAN+3 mechanism as well as the Regional Comprehensive Economic Partnership (RCEP). This reflects ASEAN's resolve for broader multilateral engagement in the wake of the pandemic. The fact that the members of the RCEP sent a fresh proposal to India to return to the negotiating table, but India still opposes to join.

- Act East policy will be acquiring a great relevance in the global geo-strategic space. This will continue to grow and expand in the coming year with further Deeping and expansion of political, strategic, security, economic, commercial, culture and people to people relations with countries of ASEAN as well as Japan, ROK and Australia³⁰.
- Indian manufacturing has proven its agility by becoming the top supplier of PPE kits, N-95 masks and pharmaceuticals in a matter of two months. This shows that India is only lacking in a good opportunity to become a top manufacturing hub in the world³¹.

3.3. Ways forward

India must continue to focus on further strengthening collaboration with ASEAN nations and others.

- Partners must work to promote economic revival, seek strategic cooperation to fight terrorism, and enhance maritime security and defense cooperation.
- Soft power such as Buddhism, tourism, people-to-people contacts, and cultural ties with the region must continue to be harnessed.
- Beyond, but linked to ASEAN, India must further strengthen strategic and economic ties with the U.S., Japan, Korea, Australia, and also with China.
- important sectors like technology transfer, civilian nuclear cooperation, defence, and innovation should be given priority

³⁰ Sajjanhar, Amg Ashok. "From Look East to Act East: Semantics or Substance". Ministry of External Affairs Government of India, Feb 11, 2015. <https://www.mea.gov.in/distinguished-lectures-detain.htm?213>.

³¹ Sarma Holoi, Smritirekha. "Why Should India Act East in the Times of COVID-19?". EXTRAORDINARY AND PLENIPOTENTIARY DIPLOMATIST, May 20, 2020. <https://diplomatist.com/2020/02/20/why-should-india-act-east-in-the-times-of-covid-19/>

- Continuous engagement with China too is necessary to expand cooperation, particularly on the economic front.³²
- Regional Value chains need to be created to expand the economic cooperation between India and ASEAN.
- India is World's largest producer of milk and 2nd largest producer of food grains. Regional value chains can add value to the food processing sector and the agriculture sector.
- Collaborate more in the field of design, engineering, Research & Development.
- Promote cooperation between Small and Medium Enterprises (SME) through technology transfers, joint ventures, and business partnerships.
- For faster growth in the economic ties between India & ASEAN, more focus needs to be given in areas such as transportation, banking, Information Technology Services, and Environmental Services.
- Japan is investing in projects to help develop infrastructure in the North East of India. Under current PM Modi, India believes that North East is the gateway to Southeast Asia and East Asian countries.
- Give more thrust to Air Connectivity, land connectivity and Maritime security as a major chunk of World's trade passes through this region.
- On the civilization front, Buddhist and Hindu links could be promoted to forge new contacts and connectivity among the people.
- Success of Act East policy will also define the difference we are able to make to the life and commerce of our people in the north-east because there the connectivity becomes extremely important.

³² Act East Policy. INSIGHTSIAS. (n.d.). Retrieved from <https://www.insightsonindia.com/wp-content/uploads/2016/12/Act-East-Policy.pdf>.

- We are already doing that but more needs to be done in collaborating with countries in South China Sea.
- India must continue to focus on further strengthening collaboration with ASEAN nations and others.
- India's bureaucratic shift is an important move to articulate its regional policy more cogently, coherently and with a renewed sense of purpose.
- Partners must work to promote economic revival, seek strategic cooperation to fight terrorism, and enhance maritime security and defense cooperation.
- Soft power such as Buddhism, tourism, people-to-people contacts, and cultural ties with the region must continue to be harnessed.
- Beyond, but linked to ASEAN, India must further strengthen strategic and economic ties with the U.S., Japan, Korea, Australia, and also with China.³³
- Important sectors like technology transfer, civilian nuclear cooperation, defence, and innovation should be given priority

³³ THE BIG PICTURE-INDIA'S ACT EAST POLICY. Insights AS, November 22, 2019. Retrieved from <https://www.insightsonindia.com/2019/11/22/rstv-the-big-picture-indias-act-east-policy/>.

CONCLUSION

After the collapse of Soviet Union in the post-Cold War, India started to reform its economy strategy and foreign policy from nonalignment and equidistance to make relationship with US and China and focus on neighbors. The financial crisis remains after Cold war, make India interested in Southeast Asia region by good geographic and economic rapid growth of ASEAN. So, in 1991, Narasimha Rao launched the “Look East Policy” as his new foreign policy to response the post-cold war condition. The main aim of this policy is creating close relation with ASEAN member states and finding the better opportunity for market, capital and technology for sustainable economic growth. Look East policy can be assumed that it is a failure that there is more rhetoric than substance in this policy. India’s lack of comprehensive economic and strategic engagement with the region is the biggest impediment to its power projection. Despite the signing of several agreements, the total volume of trade is abysmal, which is not going to lead India far in terms of regional politics.

Then “Look East Policy”, rechristened as the “Act East Policy” by Prime Minister Narendra Modi-led National Democratic Alliance (NDA) Government in November 2014 has been lauded as the country’s most successful foreign policy initiative taken in the past two decades. AEP is not different from LEP, it just upgrades from the LEP. India is seen as a power which does not threaten or challenge their national interests and can in some way lessen their apprehensions, whereas for China, about the rising capabilities of an ascendant China and its propensity to assert its claims in South China and East China Sea. The countries in the region are also afflicted with difficult choices to be made between their economic objectives where China is of help and their strategic objectives of safeguarding their national and sovereign interests where some of the nations in the region feel challenged. India hopes that this policy will be more successful and can balance with the China’s rise in the especially in Southeast

Asia region. Finally, India hopes that this policy will help India's main purpose to reach Indo-Pacific region which is the ambition of India long time ago.

RECOMMENDATION

- India should strengthen his cooperation and relation with CLMV (Cambodia, Lao, Myanmar and Vietnam) to be stronger rather than other countries in ASEAN because as we see China also use Mekong River as a tool his economic growth through increased investment connectivity and infrastructure projects in the Mekong sub region. India is the same to use its own Ganga River to do the business with CLMV by people-to-people connection. One more thing, India can get benefits from CLMV due to the CLMV has less costly labor market than other developed countries in ASEAN. CLMV also provide an important market for Indian products, which would complement for Indian products, which would complement New Delhi's "Make in India".
- India should reconsider to join the Free Agreement such as Trans-Pacific Partnership, Regional Comprehensive Economic Partnership (RCEP) that they are going to play an important near the future and how India will get benefits from those Free Trade Agreement.
- India should expand the outreach of Act East policy by adding neighboring countries like Bangladesh and Sri Lanka. This would be better to development of India's Eastern and Northeaster states. At the same time, India should activate the India-Japan investors in North East.
- Development cooperation projects earmarked for the Act East should be put in fast-track by avoiding cumbersome documentation and bureaucratic procedures. Let EXIM Bank of India opens branches in all South, Southeast and East Asian countries and Pacific and also strengthens the resources of their existing outfits. Building an effective network of export credit guarantee agencies between India and Southeast and East Asian countries would improve the utilization of LOCs as well as trade.

- India must focus on BIMSTEC that is the natural connector of South and Southeast Asia. Complete the commitments taken at the fourth BIMSTEC Summit which was held at Kathmandu in 2018. While BIMSTEC connectivity master plan is ready, countries must enhance the negotiation process to conclude BIMSTEC MVA, BIMSTEC coastal shipping agreement, and BIMSTEC TFA. In parallel, inject capital and resources, as promised, towards strengthening the BIMSTEC Secretariat in Dhaka. Alongside, we must continue with our activities for BCIM-EC.
- SMEs is also a critical point for India to expand the influence of AEP in South East Asia. SMEs drives business within and across borders. In the earlier period, there was limited effort to engage SMEs in India–ASEAN activities. We expect special focus should be given to SMEs, which can build effective business networks across borders. Some of the projects such as the ASEAN–India SMEs Forum, special fund, etc., would fillip to trade and investment as well as integrating our producers and manufacturers in regional value chains. Many new industries in Northeast and East India are unaware of the potential of the ASEAN market, both for finished as well as intermediate goods and services. SMEs in Northeast India would prefer access to packaging technology or cold chain facilities.
- Low-hanging fruits. Indian states are rich in culture. Tourism is the most immediate ‘money-making’ opportunity, which has the potential to improve the connectivity between India and Southeast Asia. Air connectivity between Northeast India and Southeast Asia is immediately needed to unlock opportunities. So, India should upgrade the domestic airports into international airports in Northeast and other parts of India.
- India should open more opportunity for international students to get education in India such as exchange program, short course scholarship, bachelor, master and PhD. Indian

government should provide best educational facilities and infrastructure to the students who come from these countries for quality education

- Multiple entry visa should be initiated for investors and traders coming from Southeast and East Asia. While the airports accept e-visa, the same is not allowed at the border posts. The Ministry of Home Affairs (MHA) shall allow e-visa at least at the Moreh border post to start with.
- There is also need to strengthen cultural and social links with the South East Asian countries. Soft Power does play a very significant role in the formation of perceptions. Strong cultural and social links, people-to-people contact with the neighboring countries, help in promoting the interest of the concerned countries.
- There is a need to work seriously on the proposed objectives and to find out why the objectives of the policy could not achieve.

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