

INDIA IN INDO-PACIFIC: COOPERATION DYNAMICS AND WAY FORWARD

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Abstract

India's journey from Look East to Indo-Pacific has evolved under a multipolar world, where India has always dealt with global challenges in a cooperative manner. The 'Indo-Pacific' construct has gained significant attention globally and is advancing rapidly. It is a multipolar region, contributing more than half of the world's GDP and population. This is, in fact, a region in which several world powers are getting engaged simultaneously, especially in geo-economic terms. Today, Indo-Pacific countries are becoming more economically integrated, with ample scope for further deepening this integration process. Enhancing regional integration in Indo-Pacific is a multifaceted task that will require the implementation of strong policy initiatives. This article briefly reviews India's Indo-Pacific journey on the connectivity front, identifies challenges and presents a way forward.

Keywords: Act East policy, ASEAN, Connectivity, India-ASEAN relations, Indo-Pacific

Introduction

In the early 1990s, if one was looking around the world to find the most promising region for international cooperation, Southeast Asia (or what is known as ASEAN) certainly appeared at the top of the list. India's current relations with Southeast and East Asia began in the early 1990s when the country undertook the Look East Policy (LEP) as an effort to strengthen economic and strategic relations with Southeast and East Asian countries. In 1992, India joined ASEAN as a sectoral partner, at a time when India was a relatively closed economy. Through LEP, India started its journey to globalisation. This journey has been quite well-thought since ASEAN-India relations have been firmly embedded in the civilisation that goes back a couple of millennia. Gradually, the LEP, which was in force for more than two decades, has been transformed into the Act East Policy (AEP) with ASEAN at its core. ASEAN has become a key component of India's growing economic and strategic partnership with East and Southeast Asia.¹⁰²

Since its inception, the LEP has been pursued in a multi-faceted manner in wide-ranging areas such as connectivity, trade, and investment. Starting with fresh vigour in 2014, the AEP has indeed gained a new momentum while acting on the east. The objective of AEP is to

¹⁰² A strong literature exists on ASEAN-India relations. Refer, for example, De and Chirathivat (2019, 2021)

expand India's economic engagement with Southeast and East Asian countries.¹⁰³ Although the policy has undergone a major change in recent years, the ASEAN has remained at the core of India's growing interaction with Southeast and East Asia. The India–ASEAN relationship has entered into its fourth decade in 2022.

If the primary focus of LEP was on ASEAN, Japan has played an important role in India's AEP, adding strong economic dimension to it. The US, on the other, is a lead proponent of Indo-Pacific. Figure 1 illustrates the new partnership under different initiatives. The journey from Look East to Indo-Pacific has evolved under a multipolar world, where India has always dealt with global challenges in a cooperative manner.

The 'Indo-Pacific' construct has gained significant attention globally and is advancing rapidly. Countries falling in the direct hinterland of the vast Indian and Pacific oceanic expanse are termed 'Indo-Pacific countries'. It is a multipolar region, contributing more than half of the world's GDP and population. This is, in fact, a region in which several world powers are getting engaged simultaneously, especially in geo-economic terms. In view of the above, this article briefly reviews India's Indo-Pacific journey on the connectivity front, identifies challenges and presents a way forward.

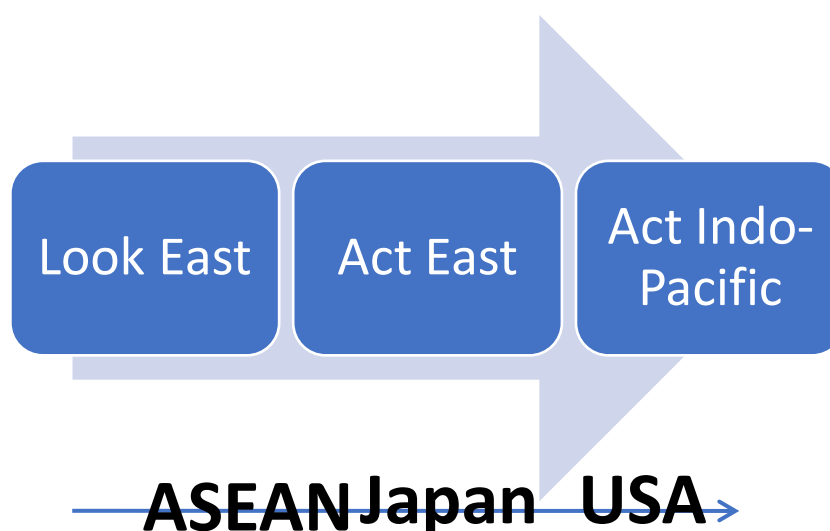


Figure 1: Look East to Indo-Pacific: New Partnership, Source: Author

Indo-Pacific Move: Emerging Architecture

Over time, India's diplomatic agenda has broadened considerably. The term Indo-Pacific, as it is evolving, reflects the growing salience of India's economic and security profile,

¹⁰³ See, the speech of Indian Prime Minister, Narendra Modi, at the 12th ASEAN-India Summit, held at Nay Pyi Taw on 12 November 2014, available at http://www.mea.gov.in/Speeches-statements.htm?dtl/24236/Remarks_by_the_Prime_Minister_at_12th_IndiaASEAN_Summit_Nay_Pyi_Taw_Myanmar

extending beyond the Indian Ocean into the western Pacific and Africa.¹⁰⁴ India's Security And Growth for All in the Region (SAGAR) has been introduced. PM Modi's speech at *Shangri La Dialogue* in 2018 "Free, Open Prosperous and Inclusive Indo-Pacific" has further provided political direction. Besides economic relations, India's security partnerships with countries in the Indo-Pacific such as the US, Japan, Australia and several ASEAN countries, have expanded significantly in recent years. Figure 2 illustrates the Indo-Pacific versions issued by several Indo-Pacific countries/regions. In June 2019, ASEAN Outlook on Indo-Pacific (AOIP) was introduced by ASEAN, and India has introduced the Indo-Pacific Oceans Initiative (IPOI), announced by Indian PM at EAS Summit in November 2019 in Bangkok. In 2021, both issued a joint statement on AOIP. These two versions have added further fillip to the emerging Indo-Pacific construct. India-Japan Vision Statement dated 29 October 2018 has also provided crucial political support to the Indo-Pacific.

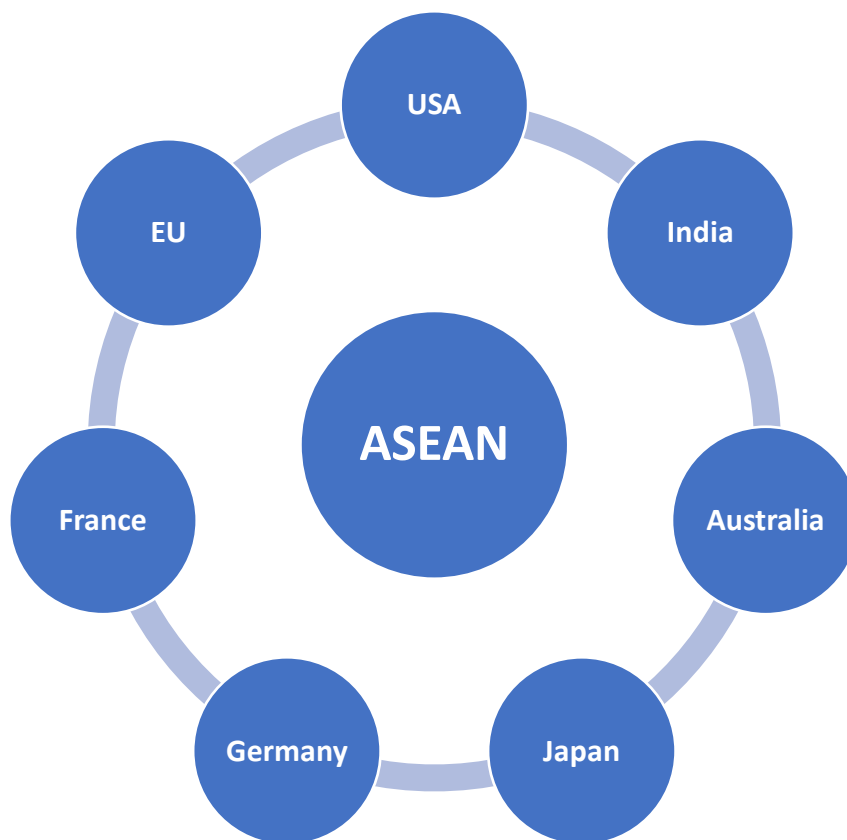


Figure 2: Indo-Pacific versions issued by countries (as on December 2021), Source: Author

The 'ocean' is the common thread that connects this vast Indo-Pacific region. The prime focus of the Indo-Pacific is, therefore, centred upon the oceans. India, Indonesia, Singapore, and Sri Lanka, which occupy important strategic positions in the Indian Ocean, are primarily maritime nations, with a rich and glorious history of maritime trade. India has introduced the concept of SAGAR (Security And Growth for All in the Region) and believes in an Indo-Pacific that is free, open, and inclusive, and one that is founded upon a cooperative and

¹⁰⁴ Refer, Indian Prime Minister Modi's speech at *Shangri La Dialogue*, delivered on 1 June 2018 in Singapore, available at <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>

collaborative rules-based order. Indonesia, on the other, has pledged to strengthen the Indo-Pacific maritime activity through its ‘Global Maritime Fulcrum’ policy. While Japan’s Free and Open Indo-Pacific (FOIP) has enriched the concept, Australia’s narrative aims to shape an open and stable Indo-Pacific as it undergoes rapid change — economic, demographic and technological. Countries are collectively or individually making efforts to shape the Indo-Pacific portfolios.

The main catalyst for the ‘Indo-Pacific’ concept was the growing strategic convergence between India and Japan on many regional and global issues. Prime Minister Modi’s speech at the *Shangri La* Dialogue in 2018 clearly indicates the geographical swath of India’s conceptualisation of the Indo-Pacific to stretch from Africa to the Americas, thereby covering the entire Indian and Pacific oceans, in tandem with that of Japan. He, however, emphasised a few key facets reflecting India’s policy perspective on Indo-Pacific, which included “inclusiveness”, “openness”, and “ASEAN centrality”, and that the concept was not directed against any country.

An encouraging attribute of the Indo-Pacific construct is that it is driven by a host of developing countries and LDCs and some important developed countries such as Japan, the US and Australia. It is, thus, a near-perfect case of a multipolarity, which not only motivates greater South-South cooperation but also promotes North-South cooperation. It has several important regional trading blocs, many of which have implemented FTAs in goods and services and some of which have even been elevated to the Customs Union.

Indo-Pacific has all ingredients to generate regional trade and investment opportunities, thereby benefitting the people of the region. However, the region is highly heterogeneous in terms of economic size and level of development, with significant differences in security establishments and resources. It also faces complex challenges in terms of economy, security and the environment.

The maintenance of peace, stability and security in, upon and over the seas; unimpeded lawful commerce; freedom of navigation and over-flight and other internationally lawful uses of the oceanic and air space; and the protection and preservation of marine resources, as well as a sustainable and responsible fishery—framework, are all critical towards building a regional consensus on maritime security and cooperation in Indo-Pacific.

Clearly, the effectiveness of the ‘Indo-Pacific’ in meeting its original collaborative and cooperative objectives, namely, freedom of navigation, security, and regional prosperity, will greatly depend upon how regional structures are fleshed out, at the political level as well as the executive level, and, the degree to which functional cooperation is nurtured, not only amongst the countries of the region but also between regional and extra-regional maritime powers.

Unfolding Cooperation Dynamics Centering India

Trade Cooperation

Countries in the Indo-Pacific region aim for a regional comprehensive arrangement through a rules-based international system not only to enhance economic interdependence but also to combat climate change. In Indo-Pacific, the rising seaborne trade is an indication of the growing interdependence of the Indo-Pacific countries. The Indo-Pacific region has high growth potential in both the merchandise and services trade. On average, around 60 per cent of the region’s trade has been taking place within the region, thereby indicating strong

interdependency in trade, and the intra-regional merchandise trade has been increasing fast. However, a large part of the trade, both goods and services, is yet to be unlocked.

Year	Exports to Indo-Pacific	Imports from Indo-Pacific	Share of India's Export to Indo-Pacific in the World	Share of India's Imports from Indo-Pacific in the World
	(US\$ Billion)		(%)	
2000	23.61	18.14	55.6	36.1
2010	134.55	191.12	60.4	54.5
2019	198.48	271.59	61.1	56.6

Table 1: India's Exports to and Imports from Indo-Pacific Source: Calculated by author based on DOTS, IMF Database

The trade liberalisation that started in the early 1990s ushered in three decades of a steady reduction in tariffs and regulations. In 2019, India's merchandise export and import with the Indo-Pacific region were about US\$ 198 billion and US\$ 272 billion, respectively (Table 1). In the same year, about 61 per cent of India's global export and 57 per cent of India's global import were conducted with the Indo-Pacific region, thereby showing India's high dependence on the region for international trade purposes. Light manufacturing, textiles and clothing sector are the primary competitive sectors of India.

The multi-country Computable General Equilibrium (CGE) simulation results illustrate that the quadrilateral alliance between the United States, Japan, Australia, and India demonstrate a positive economic gain. However, if South and Southeast Asia fully commit themselves to the Indo-Pacific construct, the economic benefits would be enormous. The CGE simulation in case of reductions of tariff and improved trade facilitation indicate that the Indo-Pacific group may generate over US\$ 1.12 trillion welfare gain. Improvements in infrastructure and connectivity, leading to reduced trade-transportation costs, are a necessary step to realise the trade potential of the Indo-Pacific. In fact, the Indo-Pacific could become a powerful regional bloc if the South and Southeast Asia could be linked through the creation and promotion of connectivity, with special focus being placed upon developing maritime linkages and buttressed by improved trade facilitation and other networks that would reduce trade costs.

The prevalence of a large number of trade agreements in the Indo-Pacific entails a sharp fall in tariff rates over time. Non-Tariff Measures (NTMs) act as a major trade barrier to trade in the region. The trade facilitation measures are also quite uneven in the Indo-pacific region. The average trade facilitation performance is superior for high income or developed economies than its other counterparts in the region. Facilitate simplification/harmonization/standardization of trade procedures in Indo-Pacific countries, and harmonize data requirements with some international standards. Implement the Authorized Economic Operator accreditation scheme to improve capability and professionalism of actors involving in the international trade process in Indo-Pacific.

Given, the trade scenario of the region, the formation of the Indo-Pacific Economic Cooperation (IPEC) is instrumental in building strategic partnerships with other regional and sub-regional organisations. Therefore, conceiving Indo-Pacific regional economic

cooperation can entail some initiatives to support sustainable economic growth and prosperity in the region. To facilitate rules-based favourable and sustainable business and trade environments, some policy targets are suggested.

First, existing trade negotiations give less motivation for trade gain by tariff reduction and more from new rules to coordinate reductions to perceived non-tariff barriers to trade. Given the existing high incidence of NTMs, further harmonisation of regulatory measures is needed with new rules and disciplines. More digitalisation will help countries to end-to-end paperless customs clearance process.

Second, given the prospect of the services trade within the region, accession towards Indo-Pacific wide services trade agreement is needed to liberalise domestic regulations as well as build capacity on e-commerce and IT-related services such as Artificial Intelligence.

Third, the formulation of policies towards a cooperative process is needed, which will predominantly be concerned with trade and economic issues of the members.

Fourth, regional projects are essential elements for strengthening the regional integration process.

Fifth, building new institutions and governance in those institutions will promote economic cooperation and help build norms that support the integration process as well as peaceful settlement of disputes.

Investment Cooperation

While global flows of FDI have declined in developed countries, developing countries, particularly developing Asia have become the leading FDI host in the world. Led by China, Hong Kong, and Japan, developing Asia is also fast emerging as a leading outward investor in the world. It is the Indo-Pacific region, which has been the world's leading FDI source as well as the destination.

FDI promotes production networks by locating different stages of a production process across countries. While recreating Indo-Pacific as an integrated production base, strengthening investment cooperation across the Indo-Pacific region would not only attract vital capital and know-how but also generate new business units.

FDI being a cross-border phenomenon, it makes sense to forge Indo-Pacific wide regional cooperation framework to ensure smooth FDI flows. The countries in the Indo-Pacific region have been pursuing investment liberalisation and promotion at multiple levels, but several regulatory gaps exist. An Indo-Pacific wide investment cooperation will remove the gaps in investment promotion between countries, bring the much-needed harmonisation in the investment regime, protect investments and generate ease of regulatory measures. Indo-Pacific countries shall aim for a regional investment framework, which would help countries to facilitate regional coordination and exploit economies of scale in improving investment frameworks and policies across the Indo-Pacific countries. A regional framework in Indo-Pacific will motivate countries not only to harmonising the investment regime but also streamlining and simplifying the procedures for investment applications and approvals. To start with, the Indo-Pacific countries may consider region-wide dissemination of investment information, including investment rules, regulations, policies and procedures. This regional framework will bring further transparency and restore a competitive investment environment, thereby benefitting the investors.

There is an untapped opportunity for cross-border business collaboration across the Indo-Pacific region. Setting up Indo-Pacific Business Forum (IPBF) will speed up the business collaboration including business alliances or mergers and acquisitions.

The Indo-Pacific countries should promote an integrated framework for skill development in diverse sectors for developing LDCs across the region. This would also ensure the specific need of a high-skilled workforce for a competitive export sector, particularly, meeting the challenges for the Indo-Pacific to upgrade the technology, increase productivity and move up with the other emerging developing countries. While framing a regional understanding of FDI, the Indo-Pacific countries must also focus on capacity building programmes, technical training, and language proficiency to develop a skilled workforce that can cater to the needs of a foreign investor to meet the business needs.

The developing region of the Indo-Pacific needs investments for the development of infrastructure. In other words, the region offers vast investment opportunities for the development of land, air, maritime and digital connectivity, within and across countries. Facilitating investment will, therefore, lead to narrowing the infrastructure gap between developing and developed countries in the Indo-Pacific region.

It is high time to consolidate the efforts of countries to mobilise the resources, both financial and technical. Given the massive need for infrastructure investment, the Indo-Pacific countries may consider setting up an Indo-Pacific Development Fund (IPDF) and Indo-Pacific Development Bank (IPDB). These initiatives may enhance and prioritise foreign investment, on one hand, and facilitate the private sector's investment in quality infrastructure development, on the other. This would also further stimulate the growth and long-term development of the region.¹⁰⁵

Timely reforms to eliminate bureaucratic red-tape may help overcome the burden of multiple layers of approvals in trade and investment, both in India and Southeast Asian countries. To gain from the bigger market, all Indo-Pacific countries may like to eliminate outdated laws, rules, and regulations or modify existing or create new laws, rules, and regulations to support the implementation of recommendations in trade and investment areas.

Maritime Connectivity Cooperation

Although all modes of transportation are important, priority shall be given to air and ocean-based transportation and digital networks. Maritime connectivity holds the key to higher trade. Some major trends that have shaped today's landscape in the ports and shipping industry are supply chain integration, increasing vessel size, increasing competition, containerisation of cargo, focus on security, alliances and cooperation, multimodal transport and infrastructure, and IT applications, among others. While these are mostly driven by the pace of globalisation and technology, participation in maritime trade has, however, not developed equally in the Indo-Pacific. Narrowing the maritime connectivity gap in the Indo-Pacific is, therefore, essential.

While Asia has become the driver of world maritime trade, key issues that may reshape the Indo-Pacific maritime trade landscape are liner shipping networks; quality of port infrastructure; operational efficiencies and sustaining maritime performance in view of new technology and digitalisation; cutting carbon emissions and environmental sustainability; maritime piracy and other costs; supply chain integration; among others.

There is enough scope for improvement of liner shipping connectivity in the Indo-Pacific. Indo-Pacific countries as a whole have substantial economic, connectivity, and logistics prowess, which needs to be utilised to strengthen regional integration. Being a maritime region, an Indo-Pacific-wide regional programme to build and strengthen the liner shipping connectivity with the involvement of operators, regulators, and shippers will add

¹⁰⁵ Refer, Kumarasamy and De (2019) for a detailed discussion on investment cooperation in Indo-Pacific

immense value towards facilitating more liner services, reducing transportation costs, and improving connectivity.

A modern and well-managed port sector is crucial for the region's trade and sustainability. While the world's best performing ports are in Asia, Asia also leads in the construction of new ports and terminals in the Indo-Pacific. Development of the port infrastructure has been a growing priority in the Indo-Pacific countries. Several Indo-Pacific countries are currently building new port facilities. India has taken an ambitious port development project called Sagarmala, which offers important lessons for the Indo-Pacific region.

To activate the Indo-Pacific Maritime Connectivity Cooperation (IPMCC), countries may consider forming a high-powered team with concerned line ministries and departments and set up working groups and conduct joint studies to design a vision and Indo-Pacific connectivity master plan.

Marine Digital Connectivity

There is an increasing need for faster and reliable international bandwidth. Fibre optic submarine cables carry the data across the world with speed and reliability intact, which are the prime arteries of digital connectivity. Indo-Pacific countries exchange large amounts of data, particularly between North America and Asia. Types of exchange include uninterrupted internet ensuring that emails and phone calls are connected and data centres are linked with each other. These massive data exchanges are carried through submarine cables across the globe. Disruption of submarine cables, therefore, causes high risk to trade in goods and services, financial markets, etc. There are vulnerable chokepoints that require special attention: the Strait of Malacca between Malaysia, Singapore and Indonesia; the Strait of Luzon between Taiwan and the Philippines; and the South China Sea. Indo-Pacific countries very much rely on the undersea cables. Indo-Pacific countries shall provide adequate attention to the protection of submarine cables by designing and implementing advanced mitigation and protection measures.

The maritime connectivity should be at the core of Indo-Pacific strategy aiming at stimulating trade. Introducing a strategy to bring together a vast heterogeneous region in maritime connectivity is certainly not an easy task. Several options exist to strengthen the marine digital connectivity among the Indo-Pacific countries. However, investing in connectivity would be the most important among all options. The key priority should be to achieve a safe, sustainable and efficient multi-modal transport system in the region, which would ultimately lead to improving the level of economic integration. Some of these were captured in the Indo-Pacific Oceans Initiative (IPOI).¹⁰⁶

Cooperation in Non-Traditional Security (NTS)

The countries in the region can also do a lot in non-traditional security (NTS) areas. The region faces threats from piracy, terrorism, migrant smuggling/human trafficking, natural disasters, cyber-security, and so on. These issues mandate cooperation and synergy among multiple stakeholders, if a stable and prosperous Indo-Pacific region is to ensue. A better understanding of these security challenges and the opportunities for expanded cooperation is required.

¹⁰⁶ Refer, De (2022) for a quick overview on the 7th pillar of IPOI

There is a need of a multilateral approach involving all stakeholders in the Indo-Pacific region. We should define development of collaborative processes in various domains such as curtailing piracy, combating terrorism, human trafficking/smuggling, responding to natural disasters and ensuring cyber safety.

Addressing NTS issues needs to move beyond developing cooperation among security agencies and should have a whole—of-the-government approach involving agencies dealing with police, law, education, and so on. These could include training of police forces, capacity building of legal institutions, developing IT-enabled information exchange frameworks, providing necessary communication equipment and gender sensitisation programmes targeting various state and non-state actors.

The Way Ahead: List of Actionable Projects

India has embarked on a period of radical changes in its foreign and economic policies. In today's multi-polar post-Covid-19 world, countries have to be imaginative in building new constituencies and seeking new partnerships. Here are some thoughts.

First and foremost, implement the promises made in the *Delhi Declaration* in 2018. Three sets of tasks are worth mentioning: first, complete and scale up the digital connectivity projects in Cambodia, Lao PDR, Myanmar and Vietnam; second, complete the India-Myanmar-Thailand Trilateral Highway (IMT-TH), resume the replacement of 69 bridges along the TH and negotiate the Trilateral Motor Vehicle Agreement (MVA); and third, continue with the high impact projects such as fellowships for integrated PhD programmes to ASEAN scholars; set up a network of universities to encourage greater inter-university exchanges between ASEAN and India; celebrate the year 2022 as ASEAN-India Friendship Year; resume the work of the Project Development Fund (PDF), among others.

Second, under the Prime Minister's *Sabka Sath, Sabka Vikas, Sabka Vishwas* (together with all, development for all, the trust of all), we must empower our states in AEP, particularly Eastern and Northeastern states. Many of the states have taken the Act East move but progress has been limited. To guide the states in implementing the AEP, a special institutional package would be extremely useful, which may help in bridging the gaps between Centre and States while implementing the Act East. The Act East through the North East can flourish if the central and state governments work towards improving the connectivity in the region, particularly in the border areas.

Third, focus on BIMSTEC. BIMSTEC is the natural connector of South and Southeast Asia. Complete the commitments taken at the fifth BIMSTEC Summit which was held at Colombo in 2022. While BIMSTEC transport connectivity master plan has been accepted and so also BIMSTEC Charter at the last BIMSTEC Summit, countries must enhance the negotiation process to conclude BIMSTEC MVA, BIMSTEC coastal shipping agreement, among others. In parallel, inject capital and resources, as promised, towards strengthening the BIMSTEC Secretariat in Dhaka.

Fourth, SMEs drive the business – within and across borders. In the earlier period, there was limited effort to engage SMEs in India-ASEAN activities. This time 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 into 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.

Fifth, development cooperation projects should be put in fast-track by avoiding cumbersome documentation and bureaucratic procedures. Let EXIM Bank of India open 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.

Sixth, cooperation and synergy among multiple stakeholders is essential. Funding on just-in-time is needed to activate the AEP. The Ministry of External Affairs (MEA) depends on the Ministry of Finance (MoF) for funding, whereas the MoF depends on the Prime Minister's Office (PMO) for political and statutory directions. The bureaucratic process often acts as hurdles, delaying the projects or funding. Therefore, greater coordination between Prime Minister's Office, Ministry of Finance, and Ministry of External Affairs is essential in implementing the Act East projects.

Seventh, 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. Ministry of Civil Aviation should walk an extra mile to start international flights from Imphal and Guwahati and also upgrade the domestic airports into international airports in Northeast and other parts of India. The opening of the international flights from Imphal and Guwahati will pave the way for greater integration between India's Northeast and Southeast Asia.

Eighth, expand the outreach. India must add Bangladesh and Sri Lanka in AEP. A prosperous Bangladesh offers opportunities for India's Eastern and Northeastern states. MEA may consider hosting an annual dialogue on the AEP involving neighbouring countries and Indian states. At the same time, we shall activate the India-Japan Act East Forum and mobilise resources to bring foreign investors to North East.

Ninth, institutions and governance in institutions matter for the AEP. No new institution is suggested, but whatever the country has promised earlier through international declaration or the speeches of the Indian Prime Minister, it must be implemented.

Tenth, strengthen border infrastructure, logistics, and last-mile connectivity. Let major border posts operate 24x7. Complete the construction of ICP projects and equip the ICPs with high-speed Internet, food testing laboratories, warehousing including cold chains, security, banking facilities, skilled human resources, etc. Developed border infrastructure reinforces the country's security.

Eleventh, faster cross-border economic engagements, particularly in the North East, will wipe out the insurgency, which is the main constraint for expansion of trade and investment. States must encourage the start-ups which are exporting processed food, organic fruits and vegetables, flowers, and high-end fashion products through borders. New industrial incentives for the construction of plants and machinery, lowering the GST rates of Northeast products and services, setting up technology development and incubation centres, trade financing and banking facilities will not only promote fresh investments but also generate employment.

Twelfth, multiple entry visas 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) should allow E-visa at least at the Moreh border post to start with.

Concluding Remarks

Indo-Pacific countries are becoming more economically integrated, with ample scope for deepening this integration process. Given India's diversity and geographical contrasts, an integrated transport network is required to support the integration process. Enhancing regional integration in Indo-Pacific is a multifaceted task that will require the implementation of strong policy initiatives. Therefore, both India and other Indo-Pacific countries need a shared strategic vision, political will and strong commitment, which are the keys for the success of Indo-Pacific. If the period 1990 to 2019 is known as the period of LEP and the AEP, the coming decade will be known as the decade of Indo-Pacific. In that sense, Indo-Pacific is an important option for India to march ahead in the next decade while aiming towards a US\$ 5 trillion economy by 2025.

Indo-Pacific economic cooperation may help reduce the differences between the countries while reshaping the globalisation process. The private sector, civil society and government will have important roles to play in building Indo-Pacific partnership. Without doubt, ASEAN centrality would be a major driving force for speeding up cooperation within the Indo-Pacific.

A multi-dimensional regional cooperation within the Indo-Pacific would not only foster economic relations, but would, in addition, strengthen regional capacity and enhance regional capability while dealing with the region's complex security challenges.

An open market in Indo-Pacific will facilitate the flow of goods, services, capital and ideas. Indo-Pacific shall be 'cooperation' driven instead of 'liberalisation'. Yes, it is a big challenge to facilitate integration when the diversity among the member countries is quite high. While the size and scale of the region is a great asset, navigating the 'Indo-Pacific' will require strong political leadership and commitments in regional integration, leaving aside other narrow objectives. In moving forward, Indo-Pacific leaders need to pull their efforts and resources on Indo-Pacific regional connectivity.

Indo-Pacific maritime cooperation should help improve access to maritime services through greater transparency in maritime regulations, policies and practices of trading partners; facilitating the flow of commercial goods at sea and at ports; and paving the way for the establishment of joint ventures in the fields of maritime transportation, shipbuilding and repairs, maritime training, information technology including development of simulators, port facilities and related maritime activities.

At the same time, Indo-Pacific countries shall aim for regulatory convergence in transportation standards. Indo-Pacific countries may agree to customs cooperation for sharing of information, generate inter-operability of customs single windows, dispute settlement, etc. Indo-Pacific countries may adopt a paperless trading system. This will help countries to simplify trade procedures, support value chains, among others. Training and capacity building should be the focus of trade facilitation programme. Learning from each other's experiences can contribute to the regional integration in an effective way.

Finally, the success of Indo-Pacific would depend how the connectivity agenda, particularly maritime connectivity, leads to reduce transportation costs. Otherwise, rising transportation costs would generate disincentives to the great plan of Indo-Pacific.

The time is ripe for India to establish a strong economic partnership with Southeast and East Asia and other Indo-Pacific countries. While this will reinforce India's Act East policy, it would also gradually remove economic isolation of India's East and North East. It must not

be forgotten, however, that nothing much will work without institutional foundations and reforms, a set of rules for governance, and finally, the confidence of countries and states in the whole system.

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