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A Decade of India's Act East Policy: Doing More With ASEAN

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SYNOPSIS

India's Act East Policy has turned 10 this year amid political turmoil and civil strife in Bangladesh and Myanmar. Relations with ASEAN remain politically and strategically significant. While many opportunities to deepen the partnership with ASEAN exist, the Act East Policy needs renewed zeal from all quarters to achieve more substantive progress.

COMMENTARY

India's Act East Policy (AEP) turned 10 this year; a "Look East" policy first manifested in the early 1990s under the leadership of then-Prime Minister Narasimha Rao. Free from the complexities of the Cold War divide, India sought new international linkages in its foreign policy agenda, recognising Southeast Asia for its strategic importance.

In 2014, Prime Minister Narendra Modi upgraded and rebranded the policy as "Act East", seeking a more active and institutionalised approach to deepen ties with the Association of Southeast Asian Nations (ASEAN) and the individual member states of ASEAN.

With Modi's recent re-election and staying on for a third term as Prime Minister of India, the AEP retains its significance in India's foreign policy, but a reassessment is overdue to reinvigorate relations with ASEAN.

Challenges On the Ground

Two countries crucial to the implementation of the AEP, neighbouring Bangladesh and Myanmar, are in the midst of political turmoil and civil strife. Bangladesh has been

roiled by violent [anti-government protests](#) that have resulted in hundreds of casualties, ending Prime Minister Sheikh Hasina's 15 years in power as she fled to India.

Meanwhile, the situation in Myanmar is continuing to spiral towards a full-blown humanitarian crisis as the *Tatmadaw* (Myanmar military) and the ethnic armed organisations remain embroiled in violent conflict. The internal security situation in Bangladesh and Myanmar has raised concerns about the influx of refugees into India's northeast, destabilising the borders and potentially delaying key AEP projects.

Bangladesh and Myanmar are central to the AEP with various connectivity projects – aimed to link India's Northeastern region with Southeast Asia – passing through the two countries.

New Delhi has recently secured rights to [operate](#) the Mongla Port, Bangladesh's second-largest seaport. It plans to construct a new terminal there amid China's expanding footprint in the Indian Ocean. The Mongla Port deal affords India access to vital maritime [trade routes](#) in the western and eastern Indian Ocean, bolstering New Delhi's influence in regional security.

Hailed as a strategic win for India, this deal and a host of other projects between India and Bangladesh were inked under former PM Hasina's Awami League government from 2009-2024. As Bangladesh descends into chaos and with anti-India sentiments on the rise, the fate of these projects is now unclear.

Meanwhile, the ongoing crisis in Myanmar has delayed joint regional connectivity projects. The Kaladan Multi-Modal Transport Transit Project is facing a [setback](#) as the ethnic armed group, Arakan Army, seized the Paletwa township situated on the banks of the Kaladan river in Chin state, which borders the Indian state of Mizoram. Consequently, a stretch of highway between Paletwa and Zorinpui in Mizoram is yet to be completed.

The India-Myanmar-Thailand Trilateral Project, connecting India's border town, Moreh, to Mae Sot in Thailand via Myanmar, has also missed multiple deadlines. Despite approximately 70 per cent of construction work being completed, the portion of the highway in Myanmar is only likely to be [ready](#) by 2026.

Untapped Potential in Engaging ASEAN

As India's eastern neighbours grapple with tumultuous political change, it is imperative for New Delhi to reevaluate and rejuvenate its ties with ASEAN, which continues to be pivotal to India's larger Indo-Pacific strategy.

Despite positive improvements over the decade and periodic bursts of energy in engagement, ASEAN-India relations have lacked consistency in terms of functional implementation on the ground. Compared to the proactive engagement and ambitious initiatives from ASEAN's other regional partners, including Japan, China, and South Korea, India's commitment to the region has been inconsistent.

Given increasing uncertainties over the ongoing US-China rivalry, ASEAN recognises the need for other regional balancers, including India, to generate stability. A stable

and resilient order in the Indian Ocean and the Pacific Ocean is critical for the region's growth.

However, to many Southeast Asians, India's global reach is not yet keenly felt despite Modi's refrain to make ASEAN a "central pillar" of AEP. According to the latest "State of Southeast Asia" [2024 Survey Report](#), India's economic and political-strategic influence was ranked near the bottom among ASEAN's dialogue partners.

At the same time, distrust levels of India remain consistently high at 44.7 per cent, which the survey attributes to India's "inability to project capacity or political will for global leadership" and that India is "distracted with its internal and sub-continental affairs".

Crucially, "Act East" has not been backed by economic commitment and integration. A review of the India-ASEAN free trade agreement is underway, with Malaysia as the next ASEAN chair, aiming to finalise its revision by 2025.

Even so, New Delhi's decision to exit from the Regional Comprehensive Economic Partnership (RCEP) dealt a severe blow to ASEAN's efforts at economic integration. India's decision was fuelled by trade imbalances and opposition from several domestic sectors, and these obstacles have not diminished. Despite ASEAN-India trade [increasing](#) to US\$131 billion in 2023, India remains in a trade deficit with ASEAN at US\$43 billion.

Regaining Momentum for AEP

While many opportunities exist to deepen partnerships with ASEAN, the AEP must first overcome certain challenges. Political will in India, regardless of AEP's longer-term benefit, has been inconsistent given domestic distractions.

Although efforts have been made over three decades of diplomatic relations to realise the strategic potential of the partnership, consolidating the common interests through the ASEAN-India platform has been elusive.

Looking forward, India's ambitions for deeper ties with Southeast Asia can be complemented by identifying synergies with foreign policies of mutual partners. For example, India can leverage its strong relations with Japan to work in partnership with ASEAN.

Japan views India as "[indispensable](#)" to its own Free and Open Indo-Pacific (FOIP) vision. It has already invested in [multiple projects in India's northeast](#), and further coordination and joint initiatives between the partners can solidify India's AEP vision. Japan also remains ASEAN's most trusted partner and has been a major contributor to [infrastructure funding](#) in Southeast Asia.

Increasing people-to-people engagement can also help rejuvenate ASEAN-India relations and build trust. Beyond geographical proximity, the people of ASEAN and India already share historical ties and cultural similarities. Improving the understanding of local nuances can support connectivity projects. Importantly, the success of foreign

policy objectives is often affected by the level of domestic support, informal linkages and goodwill at the grassroots level.

Besides maintaining its position as a regional balancer, India also harbours ambitions to become a global power and a leading voice of the Global South. A more robust AEP will go a long way in helping India burnish its credentials and establish a greater presence in the Indo-Pacific region.

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