Need for integrated, inclusive and multi-modal approach to optimize gains from ASEAN-India trade and economic ties: Secretary, MEA

*India-ASEAN trade targeted at US$ 100 billion in 2015 against $ 70 billion last year*

NEW DELHI, March 11, 2015. Mr. Anil Wadhwa, Secretary (East), Ministry of External Affairs, Govt. of India, today underlined the need for an approach that seeks to realize the ASEAN-India vision for partnership and prosperity in an integrated, inclusive and multimodal manner for the mutual interest and sustainability of the partnership in the long term.

Inaugurating the business session of the Delhi Dialogue VII, organized by the Ministry of External Affairs, ‘ASEAN India’ and FICCI, Mr Wadhwa said that the implementation of the ASEAN-India FTA in goods, signed in 2009, has elicited a positive response from the business community and translated into a significant increase in bilateral trade, which has risen from under US$ 44 billion in 2009-10 to over US$ 74 billion in 2013-14.

He said that at this level of trade, ASEAN was India’s fourth largest trade partner, Yet the trade level was well below the true potential and “we hope that the FTA in goods, when reviewed will lead to better efficiency and results.”

Mr. Wadhwa informed the CEOs from ASEAN-member states and India that a political mandate for reform and a benign external environment have created a historic moment of opportunity to propel India into a double-digit growth trajectory. “We have embarked on the new growth trajectory with emphasis on infrastructure, manufacturing, trade, agriculture, skill development, urban renewal, affordable housing, industrial corridors and smart cities.,” he said.

The Secretary emphasized that while ‘Make in India’ vision has occupied prominence, the Indian Prime Minister’s other goal of ‘Skilling India’ was as important and deserved as much attention. Skilling India and Make in India needs to be closely coordinated to enhance the employability of youth was the key to unlocking India’s demographic dividend.

“We are also making good progress towards ushering in ‘Digital India’ and ‘Clean Ganga Mission’ and would welcome ASEAN countries to support these initiatives.” He said that the DMIC corridors of the Ahmedabad-Dhaulera Investment Region in Gujarat and Shendra-Bidkin Industrial Park near Augrangabad, are now in a position to start work on basic infrastructure. Mr. Wadhwa said that “Our growing relations with ASEAN and the larger Asia-Pacific neighbourhood had the potential of bring about a significant positive developmental impact on India’s North-Eastern region as well. “Being the land bridge to ASEAN, the North East was a natural partner in India’s ‘Act East Policy’, especially with respect to the connectivity agenda,” he said.

**Dr. AKP Mochtan, Deputy Secretary General, ASEAN Secretariat**, in his remarks, pointed out that ASEAN-India relations have evolved and grown from a sectoral partnership in 1992 to strategic partnership in 2012. The Trade in Services Agreement was awaiting ratification in July 2015. Also the negotiations for the Regional Comprehensive Economic Partnership (RCEP)
would be completed by this year end. The conclusion of these agreement will go a long way in boosting bilateral trade and investments, which is currently much below the potential.

He noted that the combined GDP of ASEAN nations and India was US$ 2.4 trillion and India was ASEAN 7the largest trading partner. The bilateral trade volume is targeted to go up from US$ 70 billion in 2014 to US$ 100 billion in 2015. Seen in the backdrop of total ASEAN export-import tarde of US$ 2.5 trillion, the ASEAN-India trade figure were abysmally low, he said.

Dr. Jyotsna Suri, President of FICCI, in her welcome remarks, noted that the business session of the Delhi Dialogue was organised for the first time on the sidelines of this important event. FICCI has been privileged to be associated with the Delhi Dialogue since its inception.

She said that the current leadership in India is focused on enhancing engagement with ASEAN and this clearly reflects in its declaration that India’s “Look East Policy” has now changed to “Act East Policy”. In the recent Union Budget, the government has announced that it would facilitate private sector investments in Cambodia, Laos, Myanmar and Vietnam, popularly known as the CLMV countries through a project development company. This will encourage more Indian investments in the region.

The ASEAN is a key trading partner of India and our total trade last year was close to USD 75 billion. We must aim to reach the target of USD 100 billion by 2015 and USD 200 billion by 2020, Dr. Suri said.

She said the wide ranging Free Trade Agreement in 2009, Trade in Services and Investments Agreement with ASEAN, coupled with the ASEAN Economic Community and the proposed Regional Comprehensive Economic Partnership (RCEP), which is currently under negotiation, also have the potential to change the regional architecture and bring us a step closer to realizing the dream of the “Asian Century”.

Dr. Suri, however, noted that trade and business have been hindered because of poor connectivity between ASEAN and India and there should be joint efforts to address this issue. Better land connectivity with ASEAN will also help India’s North East to become a hub of economic activity with Myanmar serving as the gateway to the entire ASEAN region.

Dr. A Didar Singh, Secretary General, FICCI, thanked the participants and expressed the hope that the business community from both sides would cash in on the plethora of opportunity that have been unleashed.