

IPCS Special Report

May 2011



ASEAN and India

A Perspective from Indonesia

Address by HE Lt. Gen. (Retd) Andi M Ghalib,

Ambassador of Republic of Indonesia



*Southeast Asia Research Programme (SEARP)
Institute of Peace and Conflict Studies*

Institute of Peace and Conflict Studies

B-7/3, Safdarjung Enclave
New Delhi 110029
91-11-4100 1900
www.ipcs.org



© 2011, Institute of Peace and Conflict Studies (IPCS)

The Institute of Peace and Conflict Studies is not responsible for the facts, views or opinion expressed by the author.

The Institute of Peace and Conflict Studies (IPCS), established in August 1996, is an independent think tank devoted to research on peace and security from a South Asian perspective.

Its aim is to develop a comprehensive and alternative framework for peace and security in the region catering to the changing demands of national, regional and global security.

Address:
B 7/3 Lower Ground Floor
Safdarjung Enclave
New Delhi 110029
INDIA

Tel: 91-11-4100 1900, 4165 2556, 4165 2557,
4165 2558, 4165 2559

Fax: (91-11) 4165 2560
Email: officemail@ipcs.org
Web: www.ipcs.org

ASEAN and India

A Perspective from Indonesia

Transcript of the address delivered by H.E. Lt. Gen. (Retd) Andi M. Ghalib, Ambassador of the Republic of Indonesia, at the IPCS Confernece Room, on 15 April 2011

On this auspicious occasion, let me first extend my sincere appreciation and gratitude to Institute of Peace and Conflict Studies, for inviting me to deliver a few remarks on “**ASEAN and India : A Perspective from Indonesia**”. I am truly delighted to be able to see you here to participate in this occasion.

I feel privileged that I should have this opportunity to share some thoughts on ASEAN and India. As I am sure you are all aware of, India became a Sectoral Dialogue Partner of ASEAN in 1992 and a Full Dialogue Partner at the 5th ASEAN Summit in Bangkok, Thailand on 14 - 15 December 1995. At the 1st ASEAN - India Summit in Phnom Penh, Cambodia on 5 November 2002, the Leaders of ASEAN and India committed to enhance cooperation in the fields of political and security, trade and investment, human resources development, science and technology, information and communication technology, health and pharmaceuticals, agriculture, transport and infrastructure, tourism, biotechnology, small and medium enterprises and people-to-people contacts. This commitment was then fortified by the signing of ASEAN - India Partnership for Peace, Progress and Shared Pros-

perity and its Plan of Action at the 3rd ASEAN-India Summit in Vientiane, Lao PDR on 30 November 2004.

Since India became dialogue partner of ASEAN, India has been actively participating in various meetings with ASEAN, including ASEAN - India Summit, East Asia Summit, ASEAN Regional Forum (ARF), Post Ministerial Conferences (PMC) and other sectoral bodies meetings.

Distinguished Participants, Ladies and Gentlemen, in terms of the achievement of ASEAN Community in 2015, India supports economic integration of ASEAN countries and it also hopes that the Agreement on Economic Partnership between ASEAN and India will be realized by the end of 2011. The partnership is crucial to bring the trade and economic cooperation between ASEAN and India onto a higher level. There are vast opportunities that may rise with the establishment of ASEAN Economic Community in 2015 coupled with India's high economic growth. The two events are the right ingredients in the synergy to develop and promote economic growth in the region. ASEAN and India's population count for one third of the world's population projected to be the "main drive" for the world's economy in the next few years.

The projected 50 billion USD worth of trade in 2010 between ASEAN and India first announced in 2007 during the 6th ASEAN and India Summit has been achieved in 2010, wherein India's export to ASEAN amounted to 22.52 billion USD and its import was 27.81 billion USD or an increase by 22%. In view of the above, both ASEAN and India are quite optimistic that the trade between them would hit 70 billion USD in 2012 - in line with the implementation of ASEAN and India Trade in Goods Agreement. There is high hope that the two parties would be able to complete the negotiation for the FTA on Services and Investment by the end of this year. FTA in Goods with ASEAN was operationalised from January 2010. Once fully implemented, the FTA will help create a market of nearly 1,8 billion people and combined GDP of USD 2,8 trillion. The ASEAN - India FTA would also be the cornerstone of the growing and prospering partnership in the region.

Distinguished Participants, Ladies and Gentlemen, Indonesia is indeed privileged to be the Chairman of ASEAN in 2011. Despite the fact that the nature of the challenges that are confronting ASEAN is now complex, multifaceted, simultaneous and transnational, Indonesia will strive to succeed ASEAN as a driving force in the regional architecture building that is dynamic, constantly evolving, and fluid. Likewise, Indonesia will help ensure in achieving the ASEAN Community 2015 and in rolling out the vision of ASEAN post 2015 to be in line with the theme of ASEAN 2011 "**ASEAN Community in a global community of nations**". The year 2011 also marks an important juncture in ASEAN cooperation with dialogue partners, including India. In this regard, ASEAN plus One framework has contributed significantly to ASEAN community building process and to address emerging challenges.

With a view in preparing ASEAN - India Commemorative Summit that will take place in India in December 2012, India and ASEAN need to better promote government to government and people to people contact. It is also expected that recommendations yielded by the ASEAN - India Eminent Persons Group may help enhance future cooperation in science and technology, agriculture, education, as well as trade. More importantly, India - ASEAN should realize their connectivity, both



physically and intellectually, by taking advantage of the strategic location of both mainland and engaging in dialogues in the infrastructure building and mobilization of resources. To this end, it is hoped that comprehensive connectivity between ASEAN and India will boost economic growth and competitiveness.

Distinguished Participants, Ladies and Gentlemen, In 2005, India and Indonesia had agreed on a New Strategic Partnership to promote and expand cooperation that can increase the welfare of both countries' peoples. On 24 - 26 January 2011, the Prime Minister of India H.E. Dr. Manmohan Singh welcomed the President of the Republic of Indonesia H.E. Dr. H. Susilo Bambang Yudhoyono on a State Visit to India as the Chief Guest on the occasion of India's Republic Day on 26 January 2011.

The two leaders expressed satisfaction at the growing trade and investment ties between Indonesia and India. Noting that the bilateral trade volume between Indonesia and India had increased nearly threefold since the establishment of the Strategic Partnership between the two countries, the two leaders agreed to set the new target for bilateral trade volume of US\$ 25 billion by 2015. During the last state visit in India, 14 (fourteen) MoUs and Agreements signed on G to G as well as 18 (eighteen) MoUs signed on B to B. Post the state visit, these 18 (eighteen) business deals worth US\$ 15 billion, covering Indian investment in natural resources, infrastructure, and services in Indonesia.

Distinguished Participants, Ladies and Gentlemen, The signing of the said 32 MoUs and Agreements cover a wide range of cooperation. The agreements are indeed comprehensive in nature : ranging from political and strategic agreements such as mutual legal assistance and extradition to economic issues, such as air services and health cooperation. And, from weather and early warning cooperation in science and technology to cultural exchanges and education. Likewise, in order to enhance people to people contact, India has given the visa on arrival facility to the Indonesian citizen who will travel to India. Indonesia had already given the same facility since 2002.

Bilateral trade between our two great nations has grown significantly in the last few years. In 2005, there was the target of achieving a bilateral trade volume of US\$ 10 billion by 2010. This target was attained in 2008, two years earlier than scheduled. Trade volume of Indonesia and India in 2010 has reached US\$ 13.2 billion. The realization of India's investment in Indonesia has also increased, from US\$ 11.6 million in 2007 to US\$ 28.5 million in 2010. This, as a consequence, makes Indonesia as the second largest trade partner of India in ASEAN.

Indian investment is present in various industries, including mining, automotives and machinery, clothing, agriculture, and chemical. Among the ASEAN countries, Indonesia, the largest country in Southeast Asia is only India's second biggest trading partner. We need to ensure that Indonesia becomes the first biggest trading partner. Among Indonesia's major investors, India only ranks as the 18th largest on our list. We look forward to see India among the top ten investors.

We have noted that there is tremendous increase of Indian tourists to Indonesia, starting from 37.000 tourists in 2005 to more than 145.000 tourists in 2010. For your information, Indonesia has launched Visit Indonesia Year 2011 with our theme "Wonderful Indonesia", with the target of 7.7 million tourists, including 160.000 tourists from India. I do believe that we can achieve this target, noting that there will be direct flight from Indonesia to India in mid of 2011. With this regard, I also welcome the decision of the Government of India to launch the scheme of visa on arrival for Indonesian during the state visit of Indonesian President on 25 January 2011. We take note that the Indonesian tourists to India in 2009 were only 20.000, and will be increased in the future by this new policy of visa on arrival.

Distinguished Participants, Ladies and Gentlemen, in closing, I hope that in years to come, India will be one of ASEAN greatest partners in various sectors. Thank you.



Southeast Asia Research Programme (SEARP)

Institute of Peace and Conflict Studies

SEARP is supported by the SAEA Group, Singapore