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From the CAG Team

India–ASEAN Relations in an Evolving Strategic Landscape

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Philippines Government

India and ASEAN are marking 2026 as the “Year of Maritime Cooperation”. The two sides are keen to promote and deepen maritime exchanges in both commercial and defence domains. They had held the first ASEAN-India Maritime Exercise (AIME) in 2023; a second edition is currently in the works. Such targeted initiatives are aimed at imparting momentum to a relationship that is perceived as flagging—even in comparison to India’s own bilateral ties with countries in the region. Indian Prime Minister Narendra Modi’s decision not to attend in-person the ASEAN summit in Kuala Lumpur in October 2025 was seen as underlining the dip in New Delhi’s interest.

The *ASEAN Bulletin* is published quarterly by the Centre on Asia and Globalisation at the National University of Singapore’s Lee Kuan Yew School of Public Policy. It seeks to bring together a key summary of current news articles, reports, events, and academic publications produced in English on the three pillars of the ASEAN Community - the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC).


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Such assessments, however, overlook the importance of the broader geopolitical context in shaping the India-ASEAN relationship. Further, they understate the tensions in the economic and security imperatives that shape India's policy towards ASEAN. The current geopolitical and economic conjuncture, in fact, holds the possibility for a significant deepening of this relationship.

The long arc of India's relationship with Southeast Asia helps contextualise its current challenges. In the high noon of the British empire in Asia, from the mid-nineteenth to the mid-twentieth century, British India was closely tied to Southeast Asia. Indian capital and labour traversed the "great crescent," stretching from Bengal to Singapore. The colonial Indian Army was the strategic reserve to secure this region—up to the aftermath of the Second World War. The decolonisation and partition of colonial India fractured these economic and strategic linkages. Independent India chose to turn inwards in pursuit of planned economic development and to adopt a posture of non-alignment in the emerging Cold War. Although India played an active diplomatic role in early wars of decolonisation in Indonesia and Vietnam, the Bandung Conference of 1955 proved the high-water mark of its engagement in the region.

Only after the end of the Cold War and India's own economic turn towards liberalisation and globalisation, did New Delhi renew its interest in Southeast Asia. India's "Look East" policy initiated in 1992 accorded a central role to ASEAN. Indeed, India's subsequent forging of ties with the region was principally enabled by ASEAN. A decade later, ASEAN opened talks for a Free Trade Agreement (FTA) with India. This led to agreements on goods trade in 2009 and to agreements on services and investments in 2014.

Around the same time, India also began taking a vocal stance on freedom of navigation in the South China Sea, and espousing its support for an open and balanced security architecture in Asia. This was, of course, in the context of China's increasing assertiveness in the South China Sea and the United States' pivot towards Asia in the Obama years. Even as broader geopolitical shifts enabled a convergence of India's economic and security interests towards ASEAN, it proved difficult to maintain in practice.

It is a truism that trade liberalisation creates winners and losers in an economy. India's trade deficit with ASEAN increased significantly after the FTA was concluded: from 7.5 billion USD in 2011 to 44 billion USD in 2023. Key sectors of Indian manufacturing faced stiff competition in the hitherto protected domestic market from imports from ASEAN countries.

This was portrayed as the consequence of the ASEAN FTA enabling China indirectly to “dump” its goods in Indian markets. By 2015, the trade deficit as well as the volubility of the sectoral lobbies had grown sufficiently for the Indian government to seek a review of the ASEAN-India Trade in Goods Agreement. Eight years passed before these negotiations commenced in earnest. They are yet to be concluded. New Delhi’s perception of the existing agreement was given public expression last year, when the Indian commerce minister referred to the FTA as “silly” and some ASEAN countries as “China’s B Team”. These concerns also underpinned India’s decision to walk out of the negotiations for RCEP in 2019 and its introduction of strict FTA Rules of Origin requirements.

On the security front, India and ASEAN elevated their relationship to a Comprehensive Strategic Partnership in 2023 and agreed to synergise New Delhi’s Indo-Pacific Oceans Initiative with the ASEAN Outlook on the Indo-Pacific. A joint statement issued at the time began by reaffirming both sides’ commitment to freedom of navigation in the South China Sea. Substantively, however, India seemed to emphasise other groupings for security in the Indo-Pacific—notably the Quad with the United States, Japan, and Australia—as well as bilateral security ties with some Southeast Asian countries. Indeed, India’s interests and capabilities in the naval domain make the South China Sea a lesser priority. So far, its

main priority has been to ensure that the Chinese navy does not substantially expand its footprint in the western Indian Ocean and remains confined in the South China Sea and the Pacific.

The slack in India’s relations with ASEAN reflect these tensions within its economic and security interests in engaging with the region. Then again, the geopolitical changes currently underway could provide another opening to both sides. For US President Donald Trump’s trade and security policies have compelled American allies and partners to reconsider their interests and options.

Trump’s decision last year to impose 25 percent tariffs on imports from India and an additional 25 percent as penalty for purchasing oil from Russia forced New Delhi to press ahead with long-pending FTA negotiations in a bid to find new export markets. In recently concluded FTAs with the EU and the UK, India has agreed to open its economy in ways that are a sharp departure from its approach over the past decade. This recent turn in India’s trade policy could help not just to complete the review of the ASEAN FTA but also encourage India to be more ambitious in its economic ties with ASEAN and less concerned about China.

Meanwhile, the ongoing US-Iran war has underscored two points that both India and the ASEAN should note. The Trump administration is unilaterally willing to trigger conflicts even when it goes against the interests of its own allies. Further, maritime conflicts in the Indian Ocean, even if limited in geographic scope, will have severe implications for global supply chains. Catering for such contingencies requires much closer planning and interoperability than either India or ASEAN have deemed necessary. The coming edition of the AIME presents the ideal opportunity to start preparing for a robust and real strategic partnership.

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