CHAPTER-III

REACH AND EXPANSE OF INDIA’S LOOK EAST POLICY

In the wider spectrum of India’s approach towards Southeast Asia, the bilateral relations with some select countries need a micro level scrutiny. As discussed in the earlier pages in this essay, India’s relations with them have followed a zigzag course. Being geographically contiguous and historically close to the Indian consciousness it was difficult for India and these countries to ignore each other. Nevertheless, the post-War international realities including the Cold War and ever present outside powers in Southeast Asia did not allow them to open up to India in a natural fashion. The internal problems within and between these countries were also responsible for unenthusiastic relationship with India. The world was perceived differently by the countries of Southeast Asia and India. The end of the Cold War and subsequent changes in the global and regional politico-strategic situation eventually paved the way to improve the environment for positive relationship between India and Southeast Asia. Look East Policy can be seen in this broader context. To make Look East policy comprehensive, it becomes imperative to understand the reach and expanse of this policy vis-à-vis these countries. The Look East policy is focused on the entire East, but some of the countries of that region take precedence over the other due to the geographical and historical-cultural reasons. Building relations with these select countries seems more economically viable to serve India’s national interest. For the purpose of this essay we select Indonesia, Malaysia, Singapore, Thailand and Myanmar, to discuss India’s emerging relationship with them.

Indonesia

India’s relations with Indonesia have seen many ebb and flows during their independent existence as neighbouring nation-states. On independence these relations can best be considered philosophical-emotional in the wake of their recently gained independence. A common anti-colonial stance, lack of economic development perpetrated by a long colonial subjugation, common concerns for the Asian unity and their detestation of emerging dangers of bipolarity, were some of the issues that brought them together. Relations were further cemented by the Treaty of Friendship,
signed in March, 1951 between both the countries stipulating a “perpetual peace and unalterable friendship”. However, the rhythm and texture of these relations withered as the hard realities of pursuing the national interest—which certainly was not common— took precedence over the mere theoretical and emotional slogans. The goodwill generated during the last phase of their freedom struggles carried throughout the 1950s and visible during the Asian Relations Conference at New Delhi in 1947 and the Bandung Conference of 1955. But the friendly relations were quite short-lived as there were no people-to-people contacts and hardly any trade and commerce relations. Divergence in their priorities and changed policy perspectives in the late fifties and sixties drove the two countries away from each other.

The world-view of Nehru and Sukarno distinctly differed which heavily affected their personal rapport. The mutual sympathy and support of 1950s gradually yielded to antipathy and indifference during 1960s. The relationship between the two reached its lowest during Indo-Pak War of 1965, when Indonesian government not only supplied weapons to Pakistan but also stage-managed a mob attack on Indian Embassy in Jakarta. India’s friendship with communist Vietnam and USSR and Indonesia’s domestic and regional priorities further slowed down the mutual interactions. After Suharto became President in 1967 the focus of both the countries became China perceiving it as a threat to India as well as Southeast Asia. This perception provided some common ground to both to work together and mellow down their bitterness.

The bilateral relations between India and Indonesia gathered strength after India launched its Look East policy in 1992. Since then India’s image in Southeast Asia has improved and both have started developing multi-pronged relationship. Indonesia has played an important role in helping India to get membership of ASEAN, ASEAN Regional Forum and East Asian Summit. Shared interest of making Asia an “arc of advantage and prosperity” has let them reach a new crescendo of understanding by renewing their historical and cultural linkages. As India is fully aware that the success of its Look East policy highly depends on relationship with Indonesia, it has widened and deepened the areas of cooperation. These can be identified as trade and commerce, education, industry, agriculture, science and technology, outsourcing of trained manpower, services sector, and oceanic research etc.
Trade relations between India and Indonesia go back to ancient times but that need not detain us here as it is a long history. During the colonial period the trade was minimal between the two countries. At the most it was private and local. After the colonial exit from the region, trade was first formalized with an agreement signed between the two in January 1953.\(^{13}\) Trade was further extended in June 1978 when both agreed to diversify and intensify it. Both the countries signed an agreement on avoidance of double taxation in January 1986.\(^{14}\) As the commercial orientations of India and Indonesia were at variance during the Cold War, trade did not get a boost. One of the major motives of the Look East policy is to expand trade with the countries of Southeast Asia.

After the launching of Look East policy, the trade relations have slowly strengthened under the trade agreement signed in June 1998, committing both the countries to take all appropriate measures to facilitate, strengthen and diversify bilateral trade.\(^{15}\) Periodic discussions were also mooted at the ministerial and official levels to strengthen economic and commercial ties within the framework of this agreement. An Agreement for the Promotion and Protection of Investments, signed in February 1999, came into force in January 2004.\(^{16}\) First ever India-Indonesia Joint Commission Meeting (JCM) was held in Yogyakarta in September 2003.\(^{17}\) It emphasized on the promotion of bilateral economic and commercial relations in various fields and decided to constitute an “Indian-Indonesian Expert Working Group” with an aim to give recommendations to enhance and diversify bilateral trade, economic and investment relations.\(^{18}\)

Indonesia is India’s second largest export market in ASEAN (after Singapore) and one of the favoured export destinations among the developing countries.\(^{19}\) India is Indonesia’s largest buyer of crude palm oil and importer of its mining, petroleum, and paper products. India exports refined petroleum and paper products, wheat and rice, sugar and iron and steel products to Indonesia. In this regard, Indonesian Minister of Trade once emphasized on Comprehensive Economic Arrangement to open the way to facilitate a bilateral free trade.\(^{20}\) As India’s economic reforms expanded and its economy registered a growth of 6 percent and more, the prospects of trade partnership with Indonesia also went up.\(^{21}\) The value of Indo-Indonesian trade was 1.12 billion US dollars in 1995-96. After the crises faced by the East Asian economies trade slid down sharply. From 1999-2000, it started picked up again. Indian Exports increased
due to rice and imports due to growing demand of palm oil. Bilateral trade crossed US $1.5 billion in 2000, exceeding even the pre-crisis high of US $1.4 billion, 2.5 billion in 2003-04 and 5 billion in 2005. Prime Minister Manmohan Singh’s visit to Indonesia in April 2005 for Asian-African Summit and Indonesian President’s visit to India in November 2005, acted as catalyst in enhancing bilateral trade. During 2004, the trade between the two countries grew by 36% and in 2005 it increased by 20.90%. It further increased to 6 billion with a growth rate of 22.08% in the year 2006. After the launching of Look East policy growth in trade is given below:

**Table -3.1**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Trade With ASEAN</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>5836.45</td>
<td>597.05</td>
<td>591.86</td>
</tr>
<tr>
<td>1999-00</td>
<td>6866.66</td>
<td>953.70</td>
<td>325.58</td>
</tr>
<tr>
<td>2002-03</td>
<td>9768.71</td>
<td>1,380.87</td>
<td>826.06</td>
</tr>
<tr>
<td>2003-04</td>
<td>13254.82</td>
<td>2,122.06</td>
<td>1,127.20</td>
</tr>
<tr>
<td>2004-05</td>
<td>17540.55</td>
<td>2,617.74</td>
<td>1,332.60</td>
</tr>
<tr>
<td>2005-06</td>
<td>21294.98</td>
<td>3,008.11</td>
<td>1,380.20</td>
</tr>
<tr>
<td>2006-07</td>
<td>30693.50</td>
<td>4,165.82</td>
<td>2,026.50</td>
</tr>
</tbody>
</table>


Major Indian exports to Indonesia include hydrocarbons, animal feed, oil seed, steel, cotton, transport vehicles etc. Imports from Indonesia include vegetable fats and oil, copper ore, rubber, pulp and paper, palm oil, medicinal and pharmaceutical products etc. Commodity wise trade during 1996 and 2006 has also increased as shown as follow.

**Table-3.2**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1996</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil seeds and olea fruits</td>
<td>53.55</td>
<td>46.46</td>
<td>51.75</td>
<td>61.56</td>
<td>102.62</td>
</tr>
<tr>
<td>Sugars and sugar</td>
<td>52.79</td>
<td>21.84</td>
<td>0.26</td>
<td>12.80</td>
<td>40.83</td>
</tr>
<tr>
<td>Mineral fuels</td>
<td>0.63</td>
<td>227.43</td>
<td>298.13</td>
<td>153.55</td>
<td>558.43</td>
</tr>
<tr>
<td>Inorganic chemicals</td>
<td>20.97</td>
<td>16.70</td>
<td>31.21</td>
<td>22.59</td>
<td>25.64</td>
</tr>
<tr>
<td>Organic chemicals</td>
<td>27.84</td>
<td>153.77</td>
<td>281.04</td>
<td>344.78</td>
<td>359.51</td>
</tr>
<tr>
<td>Plastic articles</td>
<td>2.91</td>
<td>23.31</td>
<td>32.36</td>
<td>26.35</td>
<td>42.17</td>
</tr>
<tr>
<td>Cotton</td>
<td>84.81</td>
<td>32.09</td>
<td>18.95</td>
<td>39.01</td>
<td>83.77</td>
</tr>
<tr>
<td>Iron and steel</td>
<td>72.96</td>
<td>78.27</td>
<td>130.09</td>
<td>169.87</td>
<td>166.36</td>
</tr>
<tr>
<td>Nuclear reactors</td>
<td>32.32</td>
<td>32.03</td>
<td>69.32</td>
<td>45.34</td>
<td>48.91</td>
</tr>
</tbody>
</table>

Table -3.3
Top 10 Import Commodities from Indonesia (1996-2006)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1996</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edible fruit</td>
<td>7.42</td>
<td>41.54</td>
<td>71.14</td>
<td>69.88</td>
<td>57.27</td>
</tr>
<tr>
<td>Coffee, tea, spices</td>
<td>4.12</td>
<td>27.96</td>
<td>16.73</td>
<td>37.77</td>
<td>36.89</td>
</tr>
<tr>
<td>Animal, vegetable fats, oils</td>
<td>132.53</td>
<td>1,262.11</td>
<td>1,338.35</td>
<td>929.63</td>
<td>1,053.10</td>
</tr>
<tr>
<td>Ores, slag and ash</td>
<td>10.05</td>
<td>117.73</td>
<td>98.88</td>
<td>330.83</td>
<td>888.22</td>
</tr>
<tr>
<td>Mineral fuels, mineral oils</td>
<td>171.00</td>
<td>178.24</td>
<td>481.13</td>
<td>823.99</td>
<td>1,086.18</td>
</tr>
<tr>
<td>Inorganic chemicals</td>
<td>4.04</td>
<td>23.25</td>
<td>61.14</td>
<td>26.48</td>
<td>60.72</td>
</tr>
<tr>
<td>Organic chemicals</td>
<td>69.14</td>
<td>70.14</td>
<td>55.25</td>
<td>47.65</td>
<td>82.44</td>
</tr>
<tr>
<td>Pulp of wood</td>
<td>21.56</td>
<td>37.07</td>
<td>49.85</td>
<td>77.80</td>
<td>75.64</td>
</tr>
<tr>
<td>Paper and paperboard</td>
<td>13.21</td>
<td>18.36</td>
<td>29.36</td>
<td>33.16</td>
<td>43.09</td>
</tr>
<tr>
<td>Man-made filaments</td>
<td>10.62</td>
<td>38.38</td>
<td>39.89</td>
<td>48.35</td>
<td>32.21</td>
</tr>
</tbody>
</table>


Two CHEMEXCIL (Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council) delegations visited Indonesia in March 2005 and June 2006 which held a Buyer-Seller Meet to increase exports of basic chemicals, pharmaceuticals, and cosmetics etc. Similarly, the Investment Board of Riau and Jakarta sent business delegations to India. More than 40 Indian companies participated in the 7th Bandung Intertex 2006 and prominent Indonesian Business houses Ciputar and Salim have started investing in India.25

To increase commercial cooperation, Bank of India maintains a representative office in Indonesia while Bank Internasional Indonesia (BII) has a branch office in Mumbai. State Bank of India has bought 76% stakes in Indonesian Bank called Indomonex.26 Bank of India has acquired 76% shares of Indonesian Bank Swadesi in a deal worth US$ 5.24 million. The ICICI Bank has opened a Representative Office in Jakarta in 2006.27 These offices aim to promote interests of Indian business in Indonesia. Indian business has expanded by setting up business ventures or through investments.

To improve trade and commerce many efforts have been made as there is still large untapped potential wherein the trade between the two countries can be expanded. These commodities include pharmaceuticals, dairy products, and processed food including meat, handicrafts, furniture, gems and jewelry, leather goods and handlooms etc.28

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Industry

India is one of the fast industrializing countries and can contribute in setting up industries in its neighbourhood. Indian industries are already showing their presence felt abroad. Over the years Indonesia has also industrialized and manufacturing there contributes about 28 per cent of the GDP and employs about 12 per cent of the work force. A large number of industries are devoted to process local raw materials, like petroleum-refining, tobacco, plywood, food-processing and import substitution. Industries like textiles and clothing, chemicals and fertilizers, radios and television sets, and motor vehicles; almost all heavily rely on imported inputs. Manufacturing is concentrated in Java, and dominated by large, state-owned industries. Most of small and medium units are privately owned engaged in manufacturing consumer goods.

Before India formalized its Look East policy, there was hardly any industrial cooperation between the two countries. Though, many Indian companies started setting up their ventures in Indonesia in the late 1970s and 1980s. The focus was on processing raw materials to make textiles, rayon, polyester yarn, viscose, staple fibers, cotton yarn and steel etc. Major investments were made in the field of synthetic fiber, textiles, garments and hand tools. Leading Indian industries established during this phase were Lohia Group (Indorama Synthetics), Ispat Group (Indo Ispat), Aditya Birla Group (having four units in textile and yarns), Tolaram Group, Jaykay Files Indonesia, Gokak Indonesia and Kewalram Group. In the 1990s Essar Group set up a cold rolling steel mill, PT Punj Lloyd Indonesia, invested in oil and gas infrastructure, petrochemicals, and Oberoi Hotels. Both the countries signed an Agreement on Promotion and Protection of Investment in 1999 which subsequently promoted the entry of a new wave of entrepreneurs as the Indian economy looked up. Currently there are at least 14 Indian companies operating in Indonesia. Recently, TVS Motors of Chennai has set up US$ 50 million motorcycle plant near Jakarta. Bajaj Auto has launched its two wheeler ‘Bajaj Pulsar’ and CNG three-wheelers in Jakarta in August 2006.

Many Indian companies like ISCON, WAPCOS, TICL, RITES Ltd. and NIIT are supplying equipments and undertaking projects in Indonesia. IRCON, a major Indian Public Sector Company, is carrying out a road construction project in Indonesia and is actively seeking railway projects. The Bharat Heavy Electricals Ltd. (BHEL) and Tata Consultancy Services (TCS) have set up their representative
offices in Indonesia in 2006 for local and Asia-Pacific market. During the recent economic crises in Indonesia no Indian company left rather some of them expanded their operations in Indonesia. The Tata Power acquired two Indonesian thermal coal companies - PT Kaltim Prima Coal (KPC) and PT Arutmin Indonesia in March 2007 at the cost of US$1.1 billion. Indian investment in Indonesia stood at about US $800 million in 2007. There is a distinct upward trend in bilateral economic and commercial cooperation in 2006 as several prominent Indian companies continue to look at Indonesia for business opportunities. At the Indonesia Infrastructure Conference-cum-Exhibition 2006, Indian companies like BHEL, ESSAR, Punj Llyod and TCS, participated and exhibited there products.

Apart from business ventures Indian banks give loans to the companies for their investment in Indonesia. For Example, Export-Import Bank has financed 122 ventures worth US $420 million set up by over 100 companies in 43 countries. During 2004-05, the Bank supported 11 overseas investments including the acquisition of a stainless steel plant in Indonesia. On 23rd November 2005, both the countries signed a MoU to establish a Joint Study Group to examine the feasibility of a Comprehensive Economic Cooperation Agreement, to further increase their economic and industrial cooperation.

Agriculture

Indonesia and India have agriculture based economies. To develop cooperation an Agreement on Agricultural Cooperation was signed in August 1982. After 1992, this cooperation became more deep and meaningful. A MoU on agricultural cooperation was signed between the two countries in 1992. It aimed at cooperation in fields like horticulture, post-harvest technology, livestock, poultry, farmer cooperatives, agricultural machinery, water resource management, biotechnology, etc. A work plan on agriculture cooperation was also mooted in 2000 to intensify cooperation in agriculture. India has marginal role to play in large cash-crop farming of Indonesia due to considerable Dutch presence. India has trained Indonesian agricultural scientists under the Work Plan and also sent wheat seeds for trial cultivation. Two Indian agricultural scientists undertook training in Indonesia in the field of crude palm oil processing technology. Due to its utility, the period of Work Plan was extended by two years till December 2004. Under the Work Plan
Indian agricultural scientists have been trained in seed production techniques, wheat crop and production technology, and sugarcane harvesting and processing in the sugar mills. It has also facilitated in mutual exchange of experts in various other fields of agriculture. A MoU was also signed between the two countries on Marine and Fisheries Cooperation. It seeks cooperation between the two countries in aquaculture development, exchange of information and data, education, training and sharing of expertise, post-harvest development and food safety (including processing, distribution and fishery trade) coastal fisheries management.

Science and Technology

Indian strides in the field of science and technology is well recognized in the world. Its scientists, R & D system and institutions imparting scientific and technical education have received acclaim the world over. India signed the first agreement with Indonesia on Technical and Scientific Cooperation in 1982. This agreement, however, remained on papers. After the launching of Look East policy, the two countries have opened up new areas for scientific and technological cooperation, such as remote sensing, satellite launching, and space technologies. This has further strengthened and diversified their bilateral agreements. In November 2001 a MoU was signed between the two countries for cooperation in science and technology.

The India Space Research Organization (ISRO) and its Indonesian counterpart LAPAN (National Institute of Aeronautics and Space of Indonesia) concluded a MoU for cooperation in outer space in April 2002. This cooperation has shown result on 10th January 2007 when ISRO successfully launched Indonesia’s micro-satellite LAPAN TUBSAT piggyback on its polar satellite launch vehicle. A second Telemetry, Tracking and Command Centre have also been set up jointly by ISRO and LAPAN in Biak. Many Indonesian scientists have attended different courses offered by the UN sponsored centre for space science and technology education for Asia and the Pacific (UN-CSSTE-AP) in Dehradun and Ahmedabad. India helped Indonesia to open a TTC (Telemetry Tracking Command and Network) ground Station in Biak (Papua). Both signed a MoU to set up a joint committee headed by the Secretary Department of Science and Technology (DST) Government of India and Secretary Ministry of State for Research and Technology, Government of Indonesia. The MoU also mooted cooperation in the field of bio-technology, renewable energy sources,
medical sciences, science popularization, information technology, agriculture and marine science. Need has been felt to develop a New Strategic Partnership between the two in the field of defence technology, nanotechnology, and bio-technology. Strategically significant cooperation in space technologies between the two countries is going on since 2002.

India has trained Indonesian scientists in satellite remote sensing, geographical information systems, satellite communication, satellite meteorology and space sciences. Its Scientists have been trained under ITEC programme at the Tata INFOTECH Centre in 2002. India has also offered to set up a software technology park in Indonesia. Indian IT companies like NIIT, LCC, INFOTECH and APTECH have already established computer education centers there.

**Defence and Strategic Cooperation**

India’s strategic relationship with Indonesia goes back to 1950s. After the visit of a goodwill mission of Indian Air Force delegation in 1954, a bi-monthly courier service was established between the two countries. In 1955 the Indian Air Force (IAF) and the Indonesian Air Force (AURI—Angkatan Udara Republic Indonesia) decided to exchange officers, equipments and courier services. During 1960s and 70s, scores of Indonesian were trained in air defence in India. Naval ships of both the countries have been exchanging good will visits to each other’s ports. The navies of two countries reached an agreement in December 1958, for mutual exchange and attachment of naval officers, joint naval exercises and port calls at each other’s ports. Throughout 1950s many naval officers and sailors of Indonesia were trained in India. In June, 1960 armies of both the countries signed an agreement to offer training and services, and supply of arms from one country to other. However, strategic cooperation remained limited during the Cold War.

India and Indonesia have common maritime and security concerns. The defence and strategic partnership between them has received greater attention Apart from expressing concern about the presence of outside powers in the area or making the area a zone of peace, both have addressed non-traditional security challenges like terrorism, maritime piracy and security of the Exclusive Economic Zones (EEZ). Both the countries signed an Agreement on Cooperative Activities in the Field of Defence in 2001.
In 1995, both signed a MoU on Defence Cooperation with the focus on supplies, exchange of technologies and joint production. Under ITEC-I programme of the Ministry of External Affairs, India has provided training to Indonesian military officers. A MoU was signed to combat international terrorism in 2004 and a Joint Working Group (JWG) on counter terrorism was formed. Both have developed mechanism to counter maritime terrorism and piracy in and around the Malacca Strait, conduct joint naval exercises and escort Indonesian ships in the Andaman Sea. Since 1995, Indonesia has been taking part in MILAN (the biennial gathering of ships) hosted by India. To dispel Indonesia’s security apprehensions, India has arranged the visits of senior officers of the Indonesian Navy to the naval sites in Andaman and Nicobar Islands. Navies of India and Indonesia have also undertaken joint patrolling in the Malacca Strait to curb piracy. During the East-Timor crises, both signed five agreements which provided the formation of a joint commission and defence cooperation; supply of naval patrol boats and spares; provide repair facilities; and supply of ammunition, batteries for submarines and torpedoes and chemical explosives for the Indonesian navy.

The defence cooperation with India has been well recognized and appreciated by the successive Indonesian leadership. India has jointly conducted bilateral Search and Rescue Operations with Indonesia named Indopura SAREX. After 1997, bilateral SAREX was converted into a multilateral maritime operation comprising India, Indonesia, Malaysia and Singapore. In the aftermath of Tsunami, India launched the Operation Ghambir in January 2005 and sent food and medical supplies to Indonesia through its hospital ship INS Nirupak and a corvette INS Khukri. Since the launching of Look East policy, defence cooperation between India and Indonesia has considerably increased. Growing strategic partnership has built confidence between India and Indonesia and has given India a ready market to export its defence equipments.

**Education and Culture**

At the time of its independence, Indonesia did not have a single university. On the other hand India, in 1947 had 25 Universities and hundred of colleges. India has created one of the best educational institutions especially in the medicine, technology and IT sectors. India attracts thousands of students from Middle Eastern countries and Iran. It can offer education opportunities to the countries of the Southeast Asia.
India’s Look East policy has not been limited to only economic sphere but has shown some signs of mutual cooperation in the field of education and culture. This cooperation is limited in nature but has enough scope to expand. India has established Indology courses at the University of Indonesia (UI), Jakarta which offers short term courses in social sciences and linguistics. About one thousand Indonesians have been offered training under ITEC (Indian Technical and Economic Cooperation), Colombo Plan and General Cultural Scholarship Scheme (GCSS), during the last decade. India offered more than 1100 scholarships to Indonesian students to study at Indian Universities. India has set up a Vocational Training Centre for the Construction Sector in Jakarta under the ITEC programme at a cost of about three crore. Inaugurated on May, 2005 it is successfully carrying out training courses for Indonesian trainers.

A MoU was signed in 2003 among the University of Padjadjaran (UNPAD), the Pune-based International Institute of Information Technology and Yayasan Hassaram of Indonesia to collaborate in international information technology education and research activities in Indonesia. Under the MoU 4,000 Bangdung University students were to be brought to Pune in phases and provide them education in information technology. Recognizing the importance of cooperation in education, the External Affair Ministries of both the countries signed a MoU on Cooperation in Education and Training on 23rd November, 2005. Young Indonesian diplomats have been trained in Professional Courses for Foreign Diplomats (PCFD) by the Foreign Service Institute, Ministry of External Affairs.

Continuing its centuries old cultural relations India had signed Cultural Agreement with Indonesia in 1955 which acted as primary guideline for bilateral cultural interaction. Through the Cultural Exchange Programmes, both the countries have established inter-institutional linkages and research collaborations. To augment the cultural relations India set up The Jawaharlal Nehru Indian Cultural Centre in Jakarta in 1989. India and Indonesia signed a Cultural Exchange Program (CEP) for the year 1997-1999 under the aegis of the India-Indonesia Cultural Agreement. This was further extended to 2001-03. Under this programme ICCR deputed 15 professors to Indonesia to teach Indology, Indian languages and other subjects related to Indian culture. Another cultural centre has been proposed to be set up in Bali. A ‘Festival of India’ was also organized in Jakarta in 2002. To showcase Indian culture, folk dancers from Rajasthan were sent in June 2002, which performed in Purwakarta.
and Bali. Painting exhibitions, musical performances (hosted by the local Indian organizations) dance recitals yoga experts, religious orators have visited Indonesia during the last ten years. Some cultural delegations have also visited from Indonesia.  

**Future Areas of Cooperation**

India and Indonesia are two large and important countries of their respective geographical regions. They have been great neighbours and are well underway to be so in the new global economic environment. Both have agriculture as the mainstay of their economy. After the launch of India’s Look East policy, both have made considerable efforts to expand cooperation in various fields. There is still a large scope and potential for further cooperation. There is tremendous scope to expand and diversify trade. They can enlarge cooperation in the fields of education, industry, science and technology, defence etc. Both are deficient in energy and can cooperate to achieve energy security. Having a large and competent resource of technical manpower, India can offer its expertise in various fields. Its professionals, IT experts, engineers, medical and paramedical persons can prove helpful in the respective sectors of Indonesia. Both can cooperate in exploration of oil and nuclear power sector.

Food security is another important concern for India and Indonesia. They have considerable scope to help each other in application of biotechnology, and other knowledge intensive activities to improve productivity in agriculture and food-processing. India can offer cooperation in pharmaceutical and health care sectors. Indonesia is heavily dependent on imported drugs and health care equipment. Indian pharmaceutical industry is internationally acclaimed in certain areas, particularly in generic drugs.

Infrastructure development, particularly in railways, aviation and in commercialization of space activities are other potential areas for cooperation. Jointly secure the sea lanes and fights against the menace of terrorism are other important areas of mutual help and cooperation. As both the countries have a long history of cultural relationship, they can jointly produce films, television programmes etc depicting their common bonds. To give it a practical shape India has to give a serious thought to make its look East policy more meaningful.
India has a long history of multi-faceted relationship with Malaysia. Both had established strong trading links in the 1st century BC. Trade became a major medium to carry the Indian culture, language and social customs to Malaysia. The evidence of strong Indian linkages, also called as Hindu-Buddhist period in the history of Malaysia, can be found in the temple sites of the Bujang Valley and Merbok Estuary in Kedah in the north west of Peninsular Malaysia, near the Thai border. With the introduction of Islam (by the Arab and Indian traders) and conversion of Malay-Hindu rulers of the Malacca Sultanate to Islam, declined the Indian influence declined by 15th century. The relationship was again established when the British started recruiting Indian indentured labour to work in their Malaysian plantations. These ties have left a strong influence on the social mores, language, family traditions and the rituals of Malaysia. During the colonial period Malaysia drifted away from India due to apparent links and bondages it developed with the dominant colonial power. Its economy, culture, language etc were intertwined with that of the rulers.

After their independence, Malaysia and India had close and friendly ties. India was admired for its support to the independence movement in Malaysia. After its freedom and self-rule was established in 1955, India was among the first few countries to hail it. Diplomatic relations were established in 1957 and India supported for the formation of Malay Federation. To demonstrate this relationship, Dr. Rajindra Prasad, the President of India paid a visit to Malaysia in 1958. During the of Sino-Indian conflict of 1962, Malaysia condemned the Chinese aggression. Tengku Abdul Rehman, Prime Minister of Malaysia, set up a fund to assist India during the crises. India supported Malaysia on the issue of Borneo. India also extended support to Malaysia against the Philippine’s claims of Sabah. Both the countries had almost the same approach and policy towards non-alignment, the Commonwealth, and the United Nations. They had similar viewpoints on a wide range of international and economic issues.

Malaysia has a strong presence of ethnic Indian and Chinese populations. Indians, constituting about 10 percent of its population, have been a determining factor in Indo-Malaysian relations. The relationship between the two countries lost some steam due to maltreatment of the Indian Community on the part of Malaysian government at times. Internal problems of Malaysia also contributed in cold relationship during the Cold War. In this period, however, exchange of high level visits continued between the two countries. Friendly relations gathered momentum
after a summit meeting between Prime Minister Rajiv Gandhi and Prime Minister Mahathir Mohammad in 1985. They expressed the need for close relationship at the NAM Summit at Harare in 1986. The initiation of Look East policy by India added new warmth to mutual relations and an Indo-Malaysian Joint Commission was established in 1992 to cultivate close relations between the two. After the end of the Cold War both the countries have developed closer relationship in various sectors.

**Trade and Commerce**

Traditionally, India and Malaysia have had close trade links. Trading in spices, silk, rubber and textile etc. were prevalent between the two since millennium. During the early decades of their independence, their economies were strongly tied with their colonial masters and could not develop a trade relationship. However, the new economic realities, pressing need of opening up to the world supplemented by India’s look East policy has increased their trade relationship.

During the visit of Prime Minister V. P. Singh to Malaysia in 1990 (for the inaugural of G-15 Summit), measures to balance trade between the two countries were discussed for the first time. The Indo-Malaysian Joint Commission also emphasized on diversification and broadening of trade relations. First trade agreement was signed between India and Malaysia in October 2000 and important MoUs were signed in May 2001. In the same month Malaysia India Business Forum was jointly organized. A Joint Study Group (JSG) was appointed in 2007 to explore the feasibility of a Comprehensive Economic Cooperation Agreement (CECA) for better trade cooperation and explore the areas of bilateral investment. Malaysia-India Economic Conference held in April 2007 played a big role in fostering bilateral trade relations. As a result of these measures, India has become one of Malaysia’s largest trading partners while Malaysia is India’s second largest trading partner in Southeast Asia. Trade has expanded steadily from US $ 0.6 million in 1992 to 4.3 billion in 2004, 5.1 billion in 2005 and 6.58 billion in 2006. India’s imports from Malaysia have grown by about 6.59% between 1998 and 2002 and by 42.6% in 2003 mainly due to hike in prices for petroleum and palm oil. During 2004, imports grew by 19.58%. Malaysia has enjoyed a handsome surplus in trade primarily because of India’s large importers of palm oil and petroleum. Exports to Malaysia have increased steadily to US $ 672.5 million in 2003 and 1.3 billion in 2004. Bilateral trade between the two is shown in the table as follows:
Table – 3.4
Bilateral Trade between India and Malaysia (1996-2006)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Trade With ASEAN</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>5836.45</td>
<td>1,103.29</td>
<td>531.14</td>
</tr>
<tr>
<td>1999-00</td>
<td>6866.66</td>
<td>1,949.41</td>
<td>447.09</td>
</tr>
<tr>
<td>2002-03</td>
<td>9768.71</td>
<td>1,465.42</td>
<td>749.37</td>
</tr>
<tr>
<td>2003-04</td>
<td>13254.82</td>
<td>2,046.55</td>
<td>892.76</td>
</tr>
<tr>
<td>2004-05</td>
<td>17540.55</td>
<td>2,399.01</td>
<td>1,084.06</td>
</tr>
<tr>
<td>2005-06</td>
<td>21294.98</td>
<td>2,415.61</td>
<td>1,161.86</td>
</tr>
<tr>
<td>2006-07</td>
<td>30693.50</td>
<td>5,290.67</td>
<td>1,303.29</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Ministry of Commerce, Government of India
http://commerce.nic.in/edib/Default.asp

India’s major exports to Malaysia include electrical machinery, organic chemicals, iron and steel, copper, cathodes, meat, petroleum oils, onions and shallots, chemicals, cereals, yarns, garments, iron and steel, while imports include petroleum oils, palm oils, electronic goods, chemicals and yarns etc. Commodity wise major exports and imports are given in the following tables:

Table - 3.5
Top 10 Major Export Commodities to Malaysia (1996-2006)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1996</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil seeds and olea.</td>
<td>8.56</td>
<td>27.25</td>
<td>38.22</td>
<td>33.61</td>
<td>33.16</td>
</tr>
<tr>
<td>Mineral fuels</td>
<td>0.49</td>
<td>12.73</td>
<td>19.63</td>
<td>13.14</td>
<td>71.28</td>
</tr>
<tr>
<td>Inorganic chemicals</td>
<td>3.31</td>
<td>11.18</td>
<td>11.71</td>
<td>7.37</td>
<td>6.30</td>
</tr>
<tr>
<td>Organic chemicals</td>
<td>9.00</td>
<td>45.66</td>
<td>102.95</td>
<td>140.77</td>
<td>138.66</td>
</tr>
<tr>
<td>Plastic articles</td>
<td>1.94</td>
<td>6.64</td>
<td>7.67</td>
<td>17.40</td>
<td>16.48</td>
</tr>
<tr>
<td>Cotton</td>
<td>39.48</td>
<td>30.88</td>
<td>30.57</td>
<td>30.57</td>
<td>32.55</td>
</tr>
<tr>
<td>Man-made filaments</td>
<td>4.90</td>
<td>30.88</td>
<td>54.26</td>
<td>37.52</td>
<td>22.44</td>
</tr>
<tr>
<td>Iron and steel</td>
<td>37.94</td>
<td>55.46</td>
<td>84.62</td>
<td>55.04</td>
<td>57.67</td>
</tr>
<tr>
<td>Nuclear reactors, boilers</td>
<td>74.37</td>
<td>77.89</td>
<td>90.25</td>
<td>56.34</td>
<td>63.98</td>
</tr>
<tr>
<td>Electrical machinery</td>
<td>29.46</td>
<td>34.70</td>
<td>49.02</td>
<td>54.77</td>
<td></td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Ministry of Commerce, Government of India
http://commerce.mcin/edib/ecntcom.asp.

Table - 3.6
Top 10 Major Import Commodities from Malaysia (1996-2006)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1996</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal, vegetable oils</td>
<td>497.17</td>
<td>613.11</td>
<td>450.78</td>
<td>192.73</td>
<td>221.10</td>
</tr>
<tr>
<td>Mineral fuels</td>
<td>221.03</td>
<td>42.04</td>
<td>117.49</td>
<td>250.57</td>
<td>2,675.65</td>
</tr>
<tr>
<td>Organic chemicals</td>
<td>33.58</td>
<td>163.22</td>
<td>216.61</td>
<td>302.28</td>
<td>267.91</td>
</tr>
<tr>
<td>Plastic and articles</td>
<td>9.72</td>
<td>19.05</td>
<td>32.14</td>
<td>49.51</td>
<td>59.59</td>
</tr>
<tr>
<td>Wood and articles</td>
<td>69.67</td>
<td>326.93</td>
<td>315.20</td>
<td>288.24</td>
<td>306.76</td>
</tr>
<tr>
<td>Iron and steel</td>
<td>3.75</td>
<td>9.25</td>
<td>32.84</td>
<td>48.03</td>
<td>142.35</td>
</tr>
<tr>
<td>Copper and articles</td>
<td>11.78</td>
<td>16.58</td>
<td>36.77</td>
<td>40.88</td>
<td>51.58</td>
</tr>
<tr>
<td>Tin and articles</td>
<td>24.51</td>
<td>8.82</td>
<td>20.29</td>
<td>27.37</td>
<td>28.49</td>
</tr>
<tr>
<td>Nuclear reactors</td>
<td>60.62</td>
<td>288.24</td>
<td>446.41</td>
<td>512.23</td>
<td>675.27</td>
</tr>
<tr>
<td>Electrical machinery</td>
<td>38.75</td>
<td>230.35</td>
<td>303.19</td>
<td>286.38</td>
<td>353.89</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Ministry of Commerce, Government of India
http://commerce.nic.in/edib/ecntcom.asp.

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Apart from trade both the countries have started cooperation in other areas. Malaysia is the 18th largest investor in India amounting to US$ 1690 million. The FDI has increased significantly with the investment of US$ 1 billion by Malaysian company Maxis in Air Cell Telecoms in India. India is the 7th largest investor in Malaysia with a cumulative investment amounting to US$ 537.18 million during 1980 to 2005. Indian investments are mainly in palm oil refining, drugs and pharmaceuticals, textiles and yarns, glass containers, automobile associated activities, specialty chemicals, steel furniture, rubber products and information technology services.

Industry

A rapidly industrializing nation, Malaysia has transformed itself into a modern economy, and has set up knowledge-based and high technology industries to fuel its future growth. Malaysia is world leader in the production of electronics components. In 1990, manufacturing accounted for almost 30 per cent of gross domestic product (GDP), compared to less than 20 per cent a decade earlier. In 2005 manufactured goods earned 75.4 per cent of total export revenues and over 30 per cent of GDP.

Grabbing this opportunity Godrej India started its operations in 1968. Indian Railway Construction Company (IRCON) undertook 11 major railway projects valued at US$ 183 million. Bharat Heavy Electric Ltd. (BHEL) completed 15 power projects on turnkey basis and has supplied power transmission equipment and spare parts to Malaysian power projects since 1972. Ranbaxy set up its first joint venture in 1983 and in 1987 company set up a manufacturing unit in Malaysia at Sungai Petani, Kedah. The Hindustan Machine Tools (HMT) set up an Advanced Training Centre in 1988.

After 1991, industrial cooperation has tremendously increased. Presently, there are 61 Indian joint ventures in palm oil refining, power, railways, civil construction and training and information technology. There are about 20 other Indian companies in various manufacturing sectors. Similarly, Malaysian construction companies have completed projects worth US$ 350 million. Currently these companies are engaged in 28 projects worth US$ 1.8 billion in India. These include
several expressway development projects in Tamil Nadu, Karnataka and Kerala, national highways projects in Haryana, Rajasthan and Uttar Pradesh.

About 36 Indian companies have established their entities in Malaysia's Multimedia Super Corridor. Indian IT companies such as HCL, Satyam and NIIT have large sets up in Malaysia. Hyderabad Software Exports Association signed a MoU with Multimedia Development Corporation (MDC) of Malaysia in March 2001. The agreement signed between NASSCOM and PIKOM (Malaysia) and other agreements in IT sector have enhanced mutual cooperation. In 2003 Satyam computer services launched its global solutions centre in Indonesia and also signed MoU with Microsoft (Malaysia) to create IT outsourcing and train over 200 IT professionals in two years.105

During Prime Minister Atal Bihari Vajpayee’s visit, a MoU was signed between the Government of Malaysia (Ministry of Transport) and IRCON International Ltd. for double Tracking and Electrification of Ipoh–Padang Basar Section of KTM Line. Many business-to-business joint ventures agreements/MoU were also signed during the Malaysia India Business Forum (MIBF).106 India’s private investment in Malaysia is spread in oil and refining, power generation and supply, development of railway tracks. At the private level Tata Steel’s Singapore arm Natsteel Asia Pvt. Ltd. has acquired stake worth Rs.83.5 crore in Malaysia based Southern Steel Berhad.107 India’s leading paper manufacturer, Ballarpur Industries Ltd. has invested US $261 million in Sabah Forest Industries, the country’s largest integrated pulp and paper mill.108

Agriculture

India has very less cooperation in agriculture with Malaysia. However, these large prospects of cooperation in agriculture biotechnology.109 India can also extend cooperation in the area of agricultural mechanisation, seeds, fertilizers and research and development and institutional tie-ups. The representatives from the Agricultural and Processed Food Products Export Development Authority (APEDA) and the Confederation of Indian Industry (CII) have exchanged visits in this regard. Many Malaysian companies can invest in India in the food processing packaging and processing of fruits and vegetables.110
Science and Technology

India has a lot to offer to Malaysia in the field of science and technology and can make its expertise available in research and development. After 1992, first bilateral agreement on cooperation Science and Technology was signed in September 1998 to cooperate in the areas of biotechnology, IT, advance manufacturing systems etc. A Joint Science and Technology Committee was also set up to monitor the progress of various projects under it. A joint workshop on Advanced Materials was organized by National Metallurgical Laboratory, Jamshedpur and SIRIM, Malaysia in March 2002. The Programme of Cooperation (POC) on Science and Technology was signed between the two in 2002, which envisaged joint seminars and workshops in advanced materials, ayurvedic medicines, bio-informatics vaccine development etc. Focal points have been identified both sides to organize workshops.

In May 2001, two MoUs on cooperation in Space Technology were signed between Antrix Cooperation of India and Astronautic Technology (M) Sdn. Bhd (ATSB) and Binariang Satellite Systems Sdn. Bhd of Malaysia. During Malaysian Prime Minister’s visit in December 2004, an agreement was signed with Antrix Market capacities and two private-to-private agreements were signed to promote cooperation in research in biotechnology in Malaysia. Both the countries also intend to organize joint workshop/seminars, implement joint research and development projects in areas of Advanced Materials, Biotechnology, Medical Sciences, Ocean Science and Technology.

Defence

India and Malaysia defence links dates back to the colonial period when the British Indian Army served in Malaysia and Singapore and some officers from the federated Malaya states were trained in the Indian Military Academy. During India's freedom struggle, Netaji Subhash Chandra Bose chose Malaysia and Singapore as the headquarters for the Indian National Army. In the earlier decades of independence India and Malaysia had hardly any cooperation in the field of defence and security. In 1992 both the countries discussed the possibilities of defence cooperation. Prime Minister Mahathir Mohammed stressed on the need of such cooperation between Malaysia and India. India and Malaysia signed a MoU on defence cooperation in February 1993 to train Malaysian air force personnel and joint development of certain defence systems. India trained hundreds of Malaysian pilots, ground supporting
staff and provided spares from its MiG-29 assembly factory. India has also helped Malaysia to build up its coast guard. The navies of two countries have regularly exchanged their visits. Minister of State Harin Pathak visited Malaysia to participate in Defence Services Exhibition and Conference (DSA-2000) held from April 11-14, 2000. Exchange of high level visits between the Defence Ministries and the Services Chiefs of the two countries has also taken place regularly. India has initiated a training program for the Malaysian defence personnel at the National Defence College and Staff College. India has regularly participated in the Langkawi International Maritime and Aerospace Exhibition. To showcase its defence equipments, India Pavilions were set up at the -DSA 2006- at Kuala Lumpur, Malaysia from May 17-20, 2006. Malaysia has also regularly participated in MILAN since 1995.

**Education**

Many of the Malaysian population of Indian origin of whom opt to study professional courses in India. With the result 32.7 percent doctors, 24 percent dentists, 35 percent veterinary surgeons, 5 percent engineers and 6 percent accountants, working in Malaysia are Indian origin. Presently there are about 3000 Malaysian students studying in India. Under the Indian Technical and Economic Cooperation program, around 10 short-term training slots are provided to Malaysia each year. Some private medical colleges also offer seats to the students from Malaysia.

India also administers a trust fund with a corpus of Malaysian Ringgit 1.2 million to provide scholarships to over 50 deserving Malaysian Indian students. Government of India provides seats to a few Malaysian students in Medical and Engineering colleges under the “Nomination of Self-Financing Foreign Students Scheme.” Malaysian students avail of seats in all technical and higher educational institutions under the 15% supernumerary seats reserved for foreign students.

Cultural cooperation between India and Malaysia began in 1978. To rejuvenate age-old cultural relations, in 2003 an Indian Cultural Centre was established to impart training in yoga and Indian music. The center becomes an important place for cultural exchange, proving a forward post of Indian culture in Malaysia. More recently India’s entertainment industry has made significant inroads in Malaysia. Indian film festivals, musical shows, and award events for Indian movie personalities are held regularly in Malaysia.
Future Areas of Cooperation

Malaysia has a long history of good neighbourly relations with India. However, there have been certain problems between the two countries regarding the outsourced white collar workers in IT and other service sectors working in Malaysia. It can ill afford to ignore India as a partner in its progress and integration in global economy and India is increasing its cooperation with Malaysia. In pursuance of its Look East policy, India has initiated a multi-pronged approach to develop cooperation with Malaysia. Still, there are many areas in which both can help each other and be partners in their progress. At present, balance of trade is heavily in favour of Malaysia and India can identify the commodities which can find market in Malaysia. India’s trained technical manpower can prove its biggest advantage. Effective mechanism can be created through mutual agreements to regularize the flow of Indian white color workers especially in the IT, bio-technology and service sectors. In the days of growing influence of the private sector, India can facilitate the MoUs and mutual agreements between the Indian and Malaysian industry. Malaysia has already expanded its capacities in select infrastructure areas such as airports, seaports, highways, and information technology with Indian help.

Malaysian students can get training in medical education and other areas in various Indian Institutions. India can also set up educational institutions in Malaysia and send its doctors and para-medical personals to that country. The pharmaceutical companies of India can set up their operations in allopathic as well as ayurvedic medicines. Cooperation in space has the potential to open up new avenues for economic linkages as India is intent on commercial spin off from its investments in space research and development. For the success of its Look East policy, India has to create an interdependence with Malaysia. It should not impede cooperation in the areas of mutual interest due to clash of interest in other areas. India and Malaysia are victims of terrorist attacks and terrorism is becoming a big problem for many countries in the world. Cooperation between the two countries to stamp out terrorism can be taken in future.

Singapore

Singapore is the strongest economy in Southeast Asia. This small city state is strategically important since the colonial days. India has always considered it as a door to Southeast Asia and has shared cultural links with it throughout history. Predominantly Chinese, nine percent of its population is of Indian origin. India has
enjoyed good relations with Singapore since its present inception in 1965. After independence Singapore considered China as a major threat to its security and viewed India as an important partner in Southeast Asian security. However, India’s response to such overtures remained lukewarm due to its internal problems and different priorities. Singapore has urged India to take long-term interest in Southeast Asia and play a leading role in creating multilateral security arrangements for Asia. Considering India’s counterbalancing potential vis-à-vis China and its military power, Singapore also asked India to train its army, and supported India’s position in the 1965 war against Pakistan. However, the geo-strategic realities of Cold War and India’s commitment to non-alignment came in the way to transform their cordial relations into a strategic partnership.

Two important visits by Indian Foreign Minister M. C. Chagla in May, 1967 and Prime Minister Indira Gandhi in 1968 were the beginning of a fruitful dialogue between the two countries. Singapore expressed concern about the British withdrawal from the East of Suez and increasing strength of Soviet Union, Japan, and China in the region. Prime Minister Lee Kuan Yew paid a visit to India in August, 1970 and again stressed on Indian cooperation in the wake of growing military presence of Soviet Union and China in the Indian Ocean. During the visit of Indian President V.V.Giri to Singapore in 1971, emphasis was made on closer economic cooperation between the two countries through joint industrial ventures.

The goodwill created during the 1960s could not last and the relations between the two deteriorated when India signed the Treaty of Friendship and Cooperation with Soviet Union in 1971. Singapore, considered it as a de facto military alliance between India and Soviet Union. India’s muted response during Soviet intervention in Afghanistan and its support to Vietnam during the Cambodian crisis further strained the bilateral relations. When India modernized it armed forces with the help of Soviet in 1980s, Singapore became more suspicious about Indian intentions. Naval expansion, development of port facilities in the Andaman, and leasing of a Soviet nuclear submarine to Indian navy were other such developments which hindered their cordial relationship. In 1984, both the countries exchanged secretary level visits and agreed that the differences in perception between India and Singapore on Kampuchea should not come in the way of the development and strengthening of the friendly relations between the two countries. Since then India has gradually developed a strong strategic partnership with Singapore which covers many areas of cooperation like trade and commerce, tourism, security and defence etc.
Singapore has occupied an important place in India’s Look East policy and has remained a reliable strategic partner in Southeast Asia. It has supported India’s geostrategic initiatives and has been helpful in India’s integration with East Asian economies. The areas of cooperation between the two countries include trade and commercial, defence education, industry and services.

**Trade and Commerce**

During the Cold War trade did not grow between the two countries as they followed different economic policies. With the end of Cold War, India’s Look East policy facilitated an overall expansion of trade with Singapore. India became the fastest-growing trading partner of Singapore. Now India is the 12th largest trading partner while Singapore has become India’s 3rd largest export destination.\(^{144}\) To augment trade between the two countries, the first agreement on Double Taxation Avoidance was signed in 1981 which was revised in 1994. India promoted exports and encouraged FDI from private business of Singapore after liberalization of its economy. The launching of Look East policy in 1992 and India-ASEAN Summit meetings in 2001 were also helpful in the growth of trade and commerce. To promote commercial and economic exchange an India-Singapore Joint Study Group was set up in 2002 and set up India-Singapore Parliamentary Forum and Singapore-India Partnership Foundation.\(^{145}\) In 2005 both signed a Comprehensive Economic Cooperation Agreements (CECA).\(^{146}\)

Trade grew by about 133 million from 1995-96 to 1996-97 which went up to US$ 2.2 billion in 2001 and 9 billion in 2006, registering almost 400 per cent growth in five years. In 2005, trade with Singapore was 38 per cent of India’s total trade with the ASEAN and 3.4 per cent of its total trade.\(^{147}\) India has trade deficit with Singapore which accounted to $202.30 million in 1995. India imports engineering goods, petroleum products and vegetable oils and food from Singapore and exports non metallic mineral manufactures, textile fibers, yarn and related products, machinery and transport equipment, crude animal and vegetable materials, chemical and related products etc. Trade statistics shown below clearly indicate the growth in volume of trade since the launching of Look East policy.\(^{148}\)
### Table-3.7
**Bilateral Trade between India and Singapore (1996-2006)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Trade With ASEAN</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>5836.45</td>
<td>841.10</td>
<td>977.47</td>
</tr>
<tr>
<td>1999-00</td>
<td>6735.36</td>
<td>1,160.31</td>
<td>672.71</td>
</tr>
<tr>
<td>2002-03</td>
<td>9768.71</td>
<td>1,434.81</td>
<td>1,421.58</td>
</tr>
<tr>
<td>2003-04</td>
<td>13254.82</td>
<td>2,085.37</td>
<td>2,124.83</td>
</tr>
<tr>
<td>2004-05</td>
<td>17540.55</td>
<td>2,651.40</td>
<td>4,000.61</td>
</tr>
<tr>
<td>2005-06</td>
<td>21294.98</td>
<td>3,535.77</td>
<td>5,425.29</td>
</tr>
<tr>
<td>2006-07</td>
<td>30693.50</td>
<td>5,485.26</td>
<td>6,064.19</td>
</tr>
</tbody>
</table>


### Table-3.8
**Top 10 Commodities Exported to Singapore (1996-2006)**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1996</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mineral Fuels, Oil</td>
<td>0.38</td>
<td>914.32</td>
<td>1,874.69</td>
<td>2,198.30</td>
<td>3,380.90</td>
</tr>
<tr>
<td>Organic Chemicals</td>
<td>43.77</td>
<td>42.99</td>
<td>135.13</td>
<td>213.65</td>
<td>200.88</td>
</tr>
<tr>
<td>Plastic &amp; Articles</td>
<td>11.94</td>
<td>8.98</td>
<td>22.14</td>
<td>22.75</td>
<td>24.24</td>
</tr>
<tr>
<td>Precious Stone</td>
<td>109.91</td>
<td>195.38</td>
<td>567.76</td>
<td>1,246.02</td>
<td>152.76</td>
</tr>
<tr>
<td>Aluminum &amp; Articles</td>
<td>4.76</td>
<td>49.77</td>
<td>94.28</td>
<td>108.36</td>
<td>198.60</td>
</tr>
<tr>
<td>Nuclear Reactors</td>
<td>58.33</td>
<td>90.06</td>
<td>190.97</td>
<td>151.83</td>
<td>216.93</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>74.73</td>
<td>111.89</td>
<td>127.61</td>
<td>162.63</td>
<td>228.57</td>
</tr>
<tr>
<td>Aircraft &amp; Parts</td>
<td>0.25</td>
<td>0.57</td>
<td>1.78</td>
<td>1.02</td>
<td>1.15</td>
</tr>
<tr>
<td>Ships &amp; Floating Structures</td>
<td>13.05</td>
<td>24.24</td>
<td>143.34</td>
<td>447.14</td>
<td>329.64</td>
</tr>
<tr>
<td>Optical, medical instruments</td>
<td>8.72</td>
<td>31.18</td>
<td>49.92</td>
<td>53.06</td>
<td>67.05</td>
</tr>
</tbody>
</table>


### Table-3.9
**Top 10 Commodities Imported from Singapore (1996-2006)**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1996</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mineral fuels, mineral oils</td>
<td>28.12</td>
<td>5.29</td>
<td>10.54</td>
<td>15.68</td>
<td>1,099.77</td>
</tr>
<tr>
<td>Plastic and articles</td>
<td>26.23</td>
<td>81.07</td>
<td>107.49</td>
<td>122.40</td>
<td>135.76</td>
</tr>
<tr>
<td>Printed books, newspapers</td>
<td>6.22</td>
<td>133.13</td>
<td>175.53</td>
<td>258.38</td>
<td>317.79</td>
</tr>
<tr>
<td>Iron and steel</td>
<td>23.40</td>
<td>44.50</td>
<td>65.70</td>
<td>54.31</td>
<td>78.40</td>
</tr>
<tr>
<td>Aluminium and articles</td>
<td>16.90</td>
<td>8.41</td>
<td>12.20</td>
<td>17.88</td>
<td>23.30</td>
</tr>
<tr>
<td>Nuclear reactors</td>
<td>171.60</td>
<td>575.62</td>
<td>778.72</td>
<td>1,014.73</td>
<td>1,229.05</td>
</tr>
<tr>
<td>Electrical machinery</td>
<td>163.53</td>
<td>432.65</td>
<td>528.72</td>
<td>657.39</td>
<td>955.42</td>
</tr>
<tr>
<td>Ships and floating structures</td>
<td>0.60</td>
<td>219.45</td>
<td>173.01</td>
<td>216.61</td>
<td>195.21</td>
</tr>
<tr>
<td>Optical, medical surgical inst</td>
<td>26.88</td>
<td>82.88</td>
<td>110.87</td>
<td>144.17</td>
<td>183.28</td>
</tr>
<tr>
<td>Project goods</td>
<td>47.28</td>
<td>5.52</td>
<td>12.29</td>
<td>5.23</td>
<td>217.31</td>
</tr>
</tbody>
</table>

Apart from the trade relations, Singapore accounted for 95% investment to India from ASEAN in 2005 and one of the top foreign investors in India. During January 1991 to May 2003, about US$ 1.2 billion were invested in India. According to ASSOCHAM estimates, Singapore’s cumulative investment in India may go up to US$5 billion by 2010 and to 10 billion by 2015. These investments have come in developing software technology parks in India, such as the Madras Corridor and International Tech Park Limited (ITPL) near Bangalore. Both the governments are working out modalities for Singapore’s investment in the setting up of a model Special Economic Zone in India. Recently tourism has grown substantially and India has emerged as the fourth largest tourist market for Singapore. About seven lakh Indian tourists visited Singapore in 2007 alone.

Industry

Industry has grown rapidly in Singapore since 1960s, and the country produces a diversity of goods, including chemicals, pharmaceuticals, electronic items, clothing, plastics, rubber products, steel pipes, plywood, refined petroleum, and processed foods. Singapore is world’s largest exporter of computer disk drives. In 2005 manufacturing contributed roughly 27 per cent of GDP. Shipbuilding and ship repair are important industries and it has the largest dry and floating dock ship repair capacity in the world.

The Tata Group invested in Singapore in the late 1960s. It opened Tata Precision Industries there in early 1970. Tata has also invested in trading, IT services, telecoms and steel in Singapore. Since last about fifteen years, the Indian corporate presence has grown substantially. Indian companies form the 4th largest foreign corporate contingent in Singapore (after US, UK and Japan). Indian IT companies find Singapore as their favoured destination. Major Indian companies have chosen Singapore as their business and R & D location. More than 300 Indian IT companies have set up their software development operations in Singapore.

Indian companies are engaged in manufacturing, IT, venture capital, business processing outsourcing and intellectual property management activities. An “India Center” was established to facilitate the operations of new Indian companies in Singapore. On behalf of the private sector, CII signed a co-operation agreement with the Singapore Confederation of Industry in 1994, and subsequently opened an office
Similarly, the Singapore’s Trade Development Board (TDB) has set up offices in Chennai, New Delhi and Mumbai. The e-ASEAN, initiative launched in 2000, was considered as a natural partnership between the two countries and have invested there. Many Singapore companies have invested in India, particularly in the infrastructure sector for development of ports; develop container terminals and development of technology parks etc. Both have scope to cooperate in the allied sectors of agriculture like packaging and transportation. Both the countries have agreed to cooperate in marine and agri-biotechnology.

Science and Technology

In 1995 India and Singapore signed a MoU on Science and Technology to cooperate and outsource technologies developed by Council of Scientific and Industrial Research (CSIR) of India. A task force was also established in the field of information technology. In 2004, at the time of India-ASEAN meeting in Singapore, both agreed to cooperate in advanced materials, bio-technology networking and bioinformatics, space science and technology, setting up of digital libraries, and organize workshops on surface engineering etc. in 2004. Both have also agreed to develop linkages between Singapore Synchrotron Radiation Facility with Indian counterpart agencies and initiate a fellowship programme enabling the researchers on both the sides to pursue advanced research at each other’s facilities and set up joint ventures to design, develop, produce and maintenance and repair of air crafts.

Defence and Security

India’s defence cooperation with Singapore dates back to the mid-1960s, however, it remained minimal during the Cold War. India-Singapore defence and security cooperation covers three major areas – joint training of armed forces, defence technology cooperation and maritime security. Since 1990s, their strategic partnership has taken a new shape. Defence cooperation has expanded considerably due to common security concerns like terrorism, maritime piracy, and safety of Sea Lanes of Communications. The two countries signed a defence cooperation agreement in 2003. India and Singapore have set up a Joint Working Group on intelligence cooperation to combat terrorism and transnational organized crime.
Both the countries mooted common training of their air force officers and initiated security dialogue. The two countries signed a MoU in 2005, outlining detailed modalities for army-to-army exercises and intensified cooperation in defence technology. A meeting of Defence Technology Steering Committee, led by Singapore’s Deputy Secretary for Technology and Transformation, and the Chief Controller (Research and Development Wing) of India’s Defence Research and Development Organization (DRDO), was held in Singapore in October 2006. They have enormous scope in maritime security cooperation. Their navies have been conducting joint naval exercises such as the SIMBEX and MILAN since 1993 and both the countries conducted anti-submarine exercises in April 2007. The navies have extended their area of exercises from the Indian Ocean region to South China Sea and cooperate to stamp out narco-trade, curb gun-running and prevent maritime terrorism. India has also provided its missile testing range at Chandipur (Orissa) to Singapore.

India has trained defence personnel from Singapore at its military academies, shared intelligence on security and terrorism-related issues. Singapore has also agreed to joint patrolling of Straits of Malacca with the help of Indian, American, and other regional navies in the. Among the countries of Southeast Asia, India’s defence cooperation with Singapore is probably the deepest. It is the only country that has access to the training facilities at Cochin’s Southern Naval Command and other training centers. This strategic relationship with a key member of the ASEAN is an important plank of the Look East policy.

**Education**

Adult literacy in Singapore is above 90 percent. It spends about one-fifth of national budget on education. It has a well established network of schools and technical institutions along with a university. India and Singapore have exchanged visits of their students, teachers and educational bureaucrats. India has also provided expertise in curriculum development and pedagogy through NCERT. Singapore’s Education Minister visited Kendriya Vidalayas, IITs, to learn about the education imparted to students in KVs.
The Management Development Institute of Singapore (MDIS) has signed a MoU with the Loyola College, Chennai to exchange their faculty development and training programmes. The visiting faculties and trainers to both institutions will focus on facilitating and enhancing developments in areas of teaching expertise and training programmes. The National Science and Technology Board of Singapore has also explored possibilities of long term collaboration between the Singapore and Indian educational institutions. A MoU was signed between the National University of Singapore and Indian Institute of Technology (Mumbai).

Close geographical proximity, presence of large Indian population, historical ties and the growing tourism between the two countries bring Singapore very close to Indian culture. To further strengthen these culture ties, India organizes various cultural events in Singapore under the Executive Programme on Cooperation in the Arts, Heritage, Archives and the Library. Apart from government initiatives, there are many Indian societies promoting Indian culture. The Indian Council of Cultural Relations and Indian Embassy in Singapore has also taken initiatives in this regard.

Future Areas of Cooperation

India and Singapore have emerged as close partners in progress. The areas in which both can further improve their cooperation are many. Singapore has great potential as a bustling economy of Southeast Asia. Both the countries can enhance their trade further in the coming years. Balance of trade at present is in favour of Singapore. India has to find out the areas in which it can increase its exports to Singapore. Trained Indian experts in IT and biotechnology can be outsourced to that country. An overwhelming population of Singapore is Buddhist and India can attract religious tourism. India can set up management and technology institutions there on the pattern of Indian Institute of Technology (IIT) and Indian Institute of Management (IIM). In the wake of growing Chinese military presence, both can further increase their defence cooperation. India can export defence equipment and spares to its armed forces. India has a very limited investment in Singapore so far. India can encourage its corporate sector to identify areas in which direct investment can be made at the individual and corporate level.
India and Thailand have a long history of trade and cultural relations. Thai language, culture, religion, art and architecture bear a heavy imprint of Indian influence.\textsuperscript{183} With the subjugation of India by the British, this relationship became dormant. When India got freedom, Thailand did not wait a formal exit of the British and became the first Asian country to recognize and establish diplomatic relations with independent India on 1 August, 1947.\textsuperscript{184} The relation between the two countries from 1947 to 1957 remained cordial and warm.\textsuperscript{185} Growing communist influence in Southeast Asia after the World War II convinced Thailand to become a part of Western alliance system and it joined SEATO in 1954.\textsuperscript{186} On the other hand, India vigorously advocated the policy of non-alignment and opposed the post-War military alliances. India opposed US waged war in Vietnam in the 1960s while Thailand supported and assisted United States. Both the countries had different perceptions on world politics as it unfolded during the Cold War.\textsuperscript{187}

China’s unprovoked attack on India in 1962 played a catalyst in improving the bilateral relations. India also felt the need to pay greater attention to normalize its relations with neighbouring Asian countries. During the visit of Indian Foreign Minister M. C. Chagla in 1967, both the countries agreed to the need to contain China. The visit also provided the necessary background to establish more friendly ties.\textsuperscript{188} There were no direct contentious issues between Thailand and India but latter’s help in the liberation of Bangladesh in 1971 had telling effect on the bilateral relations. Attempts were renewed to normalize relation when the President of India V. V. Giri visited Bangkok in March, 1972.\textsuperscript{189} During the visit the areas of cooperation were identified to promote political, cultural, economic and trade relations were discussed. Again, both the countries had different perception and stand on Cambodian problem. During the Vietnam crisis of 1980s, Thailand opposed the Vietnamese backed government in Cambodia, while India supported Vietnam and recognized Heng Semarin government. This opposite perception had a cooling affect on the relations.\textsuperscript{190}

Due to the historical reasons and post-Cold War realities, India gave Thailand precedence over the others, when India decided to have a definite approach to befriend its Southeast Asian neighbours. Over the last fifteen years India’s relations with Thailand have notably improved.
Trade relations between the two countries were formally established when they signed a Trade Agreement in 1968. Despite agreement the trade relations remained at the low ebb. To boost trade relations both the countries signed an agreement on Double Taxation Avoidance and established a Joint Trade Committee in 1985. They also established institutional linkages by signing an agreement on cooperation between the FICCI and the Board of Trade of Thailand in the 1990. Tariff regime did not allow the bilateral trade to grow. After the initiation of India’s Look East policy, both the countries took measures to allay each other’s concerns. A Framework Agreement to establish Free Trade between the two countries was signed in October 2003. Under the framework the tariff level was lowered to zero on 82 goods from September 2004. To increase its trade with India, Thailand launched a series of trade shows in India.

Indian exports to Thailand include fish, animal or vegetable fat, waste from the food industries, organic chemicals, pharmaceutical products, tanning or dyeing extracts, chemical products, plastic and articles, raw hides and skins, silk, cotton, precious stone, iron and steel, articles of iron, copper, aluminum, boilers, electrical machinery and equipment, vehicles etc. Imports from Thailand to India include agriculture commodities, automobile parts, automatic data processing machines and chemical products.

Trade between India and Thailand has grown from US $ 406 million in 1992 to US $ 651 million in 1996-97. Due to economic crises in East Asian markets, it declined to US $ 577 million in 1997-98. During the year 1998-99 trade improved to US $594 million in which Indian exports showed a decline and Thai exports an increase. As the Thai economy recovered, the trade grew by 31 percent reaching US$ 778 million in 1999-2000. Trade was US$ 1353 million in 2002-03 and US$ 3701 million in 2006-07. India exported goods worth 407 million in 1996-97, which rose to 1,075 million in 2005-06 and 1,443 million in 2006-07. Similarly, India imported goods worth US$ 197 million in 1996-97 which further increased to 1,211 million in 2005-06 and US$ 1,744.25 million in 2006-07. The overall growth in bilateral trade is shown in table as follows:
### Table - 3.10
**Trade Between India and Thailand (1996-2006)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Trade With ASEAN</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>5836.45</td>
<td>197.19</td>
<td>447.08</td>
</tr>
<tr>
<td>1999-00</td>
<td>6866.66</td>
<td>326.02</td>
<td>449.59</td>
</tr>
<tr>
<td>2002-03</td>
<td>9768.71</td>
<td>379.00</td>
<td>711.20</td>
</tr>
<tr>
<td>2003-04</td>
<td>13254.82</td>
<td>609.05</td>
<td>831.68</td>
</tr>
<tr>
<td>2004-05</td>
<td>17540.55</td>
<td>865.88</td>
<td>901.39</td>
</tr>
<tr>
<td>2005-06</td>
<td>21294.98</td>
<td>1,211.58</td>
<td>1,075.31</td>
</tr>
<tr>
<td>2006-07</td>
<td>30693.50</td>
<td>1,744.25</td>
<td>1,443.22</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Ministry of Commerce, Government of India.
http://commerce.nic.in/edib/ecntcom.asp.

### Table - 3.11
**Top 10 Major Export Commodities to Thailand (1996-2006)**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1996</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fish</td>
<td>15.18</td>
<td>23.06</td>
<td>18.58</td>
<td>24.79</td>
<td>26.39</td>
</tr>
<tr>
<td>Waste from the food industries</td>
<td>52.84</td>
<td>60.38</td>
<td>48.30</td>
<td>65.88</td>
<td>82.10</td>
</tr>
<tr>
<td>Organic chemicals</td>
<td>25.18</td>
<td>68.38</td>
<td>70.47</td>
<td>74.19</td>
<td>92.28</td>
</tr>
<tr>
<td>Chemical products</td>
<td>6.90</td>
<td>20.48</td>
<td>31.55</td>
<td>27.49</td>
<td>48.72</td>
</tr>
<tr>
<td>Cotton</td>
<td>16.54</td>
<td>18.09</td>
<td>17.01</td>
<td>33.29</td>
<td>78.90</td>
</tr>
<tr>
<td>Precious stone</td>
<td>170.61</td>
<td>202.16</td>
<td>293.45</td>
<td>329.75</td>
<td>339.97</td>
</tr>
<tr>
<td>Iron and steel</td>
<td>24.65</td>
<td>122.85</td>
<td>78.16</td>
<td>86.05</td>
<td>102.09</td>
</tr>
<tr>
<td>Copper and articles</td>
<td>0.12</td>
<td>45.56</td>
<td>103.06</td>
<td>90.10</td>
<td>130.15</td>
</tr>
<tr>
<td>Nuclear reactors, boilers</td>
<td>17.62</td>
<td>72.01</td>
<td>48.20</td>
<td>54.42</td>
<td>68.18</td>
</tr>
<tr>
<td>Electrical equipments</td>
<td>9.20</td>
<td>9.72</td>
<td>17.19</td>
<td>16.16</td>
<td>17.29</td>
</tr>
<tr>
<td>Vehicles</td>
<td>1.55</td>
<td>15.13</td>
<td>20.35</td>
<td>48.78</td>
<td>53.19</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Ministry of Commerce, Government of India.
http://commerce.nic.in/edib/ecntcom.asp.

### Table - 3.12
**Top 10 Major Import Commodities from Thailand (1996-2006)**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1996</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic chemicals</td>
<td>45.42</td>
<td>19.11</td>
<td>30.04</td>
<td>24.79</td>
<td>73.12</td>
</tr>
<tr>
<td>Plastic articles</td>
<td>15.43</td>
<td>56.98</td>
<td>80.73</td>
<td>131.73</td>
<td>141.16</td>
</tr>
<tr>
<td>Rubber articles</td>
<td>10.27</td>
<td>33.02</td>
<td>65.14</td>
<td>45.46</td>
<td>96.66</td>
</tr>
<tr>
<td>Textile fabrics</td>
<td>16.88</td>
<td>19.41</td>
<td>27.48</td>
<td>34.53</td>
<td>35.96</td>
</tr>
<tr>
<td>Precious stone</td>
<td>12.13</td>
<td>19.11</td>
<td>32.28</td>
<td>34.48</td>
<td>61.04</td>
</tr>
<tr>
<td>Iron and steel</td>
<td>1.40</td>
<td>24.84</td>
<td>51.93</td>
<td>80.85</td>
<td>125.10</td>
</tr>
<tr>
<td>Articles of iron</td>
<td>0.79</td>
<td>25.71</td>
<td>21.01</td>
<td>32.22</td>
<td>31.28</td>
</tr>
<tr>
<td>Nuclear reactors, boilers</td>
<td>21.41</td>
<td>170.51</td>
<td>148.21</td>
<td>266.18</td>
<td>360.52</td>
</tr>
<tr>
<td>Electrical machinery equipment</td>
<td>15.38</td>
<td>63.31</td>
<td>150.59</td>
<td>229.78</td>
<td>301.27</td>
</tr>
<tr>
<td>Vehicles</td>
<td>0.13</td>
<td>25.59</td>
<td>61.57</td>
<td>50.91</td>
<td>42.70</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Ministry of Commerce, Government of India.
http://commerce.nic.in/edib/ecntcom.asp.
In the aftermath of its Look East policy, Indian investment in Thailand has reached US$1 billion. In 2006 there were about 33 Indian joint ventures in operation, in sectors like chemicals, steel wires and rods, rayon fiber, highways construction, financial sector, hotels, pulp and paper, electronics, and vehicle spare parts. 198 Manufacturing and IT services sector are the main areas of Indian investments in Thailand. The Thai Board of Investment had approved more than 200 Indian projects with a cumulative investment exceeding 1 billion US dollars while Thai investors had invested about 1.1 billion US dollars in India during the 1990s. As India opened up with Southeastern economies, many Thai companies have also turned to India.199

Industry

Industrial cooperation between India and Thailand is of recent origin. Though small efforts began in 1969 when Aditya Birla Group started manufacturing textiles there. In the recent years, Indian companies have invested in the production of rayon fiber, steel wires and rods, paper-grade pulp, chemicals, drug and pharmaceuticals, nylon, and tyre cord etc. Major Indian companies such as the Aditya Birla Group, Thai Baroda Industries, Usha Siam Steel Industries, Ranbaxy Laboratories, Indo-Rama Group, Tata Steel (Thailand) and Tata Motors have made considerable investment in Thailand. Indian investments in Thailand amounted to US$ 88 million in 2003 and 50 million in 2004 which reached 70 million in 2006.200 After 1991 Indian investments have been more concentrated in the manufacturing and IT sector.201

There is considerable industrial collaboration between the two countries in food processing, industrial machinery, hotel and tourism, transport industry and manufacturing of rubber goods.202 The Thai Rung Union Car Pte (TRU), Thailand's biggest pick-up truck modifier, signed an agreement with Tata Motors in 2005 to set up a manufacturing plant for domestic and export markets.203 In all there are 33 Indian joint ventures in Thailand.204

Agriculture

In early 1990s, Indian Council of Agricultural Research (ICAR) and the Asian Institute of Technology signed a MoU to share research and collaborate in various fields of agriculture.205 Both the countries signed a MoU to extend cooperation in the field of Agriculture Science, Technology and Economy in 2003.206 This agreement
emphasized on joint activities covering agricultural and forestry research, biotechnology, soil and water conservation, watershed management, land use planning, and horticulture. To explore possibilities of collaboration in the field of dairying and animal husbandry, 35 Thai farmers, experts, and officials from this sector visited India at the invitation of the National Dairy Development Board (NDDB) in 1996.

**Science and Technology**


Outside the governmental ambit, an MoU was signed between the National Informatics Centre (NIC) and the Kasetsart University in Bangkok, to set up an Information Technology Training Institute in Thailand. Both the countries have also extended cooperation in space sciences, exploration of outer space, use of space technology, monitoring of the earth’s environment from outer space, remote sensing of the earth, joint R & D relations to the use and production of space systems and space technology. India has provided images from its remote sensing satellites to Thailand on commercial basis. An Electronics Design Laboratory (EDL) has been set up at Chulalongkorn University, Bangkok, with assistance from Government of India. India and Thailand signed a Programme of Cooperation in Biotechnology in 2003 to initiate joint projects.

The use of atomic energy for peaceful purposes, nuclear reactor utilization and nuclear waste management, radiological and environment safety, tapping and utilization of renewable and nonrenewable energy and exchange of information in
photovoltaic cells, solar thermal energy, biogas are other areas of cooperation between the two countries.\textsuperscript{211}

**Defence**

Thailand lies on the trade-busy sea Malacca Strait and has common interest with India to secure the sea lanes. Both the countries had different defence and security orientations during the Cold War.\textsuperscript{212} Defence has become a common concern for both the countries due to rising terrorism (which some times spill over from neighbouring Malaysia), increasing military presence of China in Myanmar and security of SLOCs. After the initiation of Look East policy both have increased various exchange programmes.\textsuperscript{213} Under ITEC many Thai defence officers attended courses at National Defence College and Defence Services Staff College.\textsuperscript{214} In 2006, India offered 8 slots to train Thai defence officers.\textsuperscript{215} The Royal Thai Navy participated in MILAN get-together in 1995, 1997 and 1999. The first Indo-Thai joint naval exercise was held in May 1995 off Port Blair. Indian ammunition exports to Thailand are still moderate at nearly US$7 million.\textsuperscript{216} To check sea piracy a MoU on Coordinated Sea Patrol was signed and both have also set up Joint Working Group on Security to further enhance defence cooperation.\textsuperscript{217}

**Education**

Throughout history, many Thai scholars and new converts came to India to learn Buddhism, Indian culture and languages. This relationship became weakened with the decline of Buddhism in India. In the field of education India has much to offer to Thailand. In the recent years many Thai students have been awarded scholarships. Under GCSS, ITEC, Colombo Plan, MGC, Hindi Scholarships etc. during 2006-07 about 103 scholarships were offered under these schemes. Under the ITEC programme, government of India offered 60 seats to Thai officials for the short term training courses in Indian Institutes. Currently, about 6,000 students from Thailand are studying in India. Indian Council for Cultural Relations allocated ten seats for Thai students for graduate, post graduate and doctoral research.\textsuperscript{219}

Thailand has set up Indian Studies Centre at Thammasat University and the Sanskrit Study Centre at Silpakorn University is engaged to study Indian Culture and Languages.\textsuperscript{220} Many other Thai Universities and institutes have set up centers to study
Hindi and other Indian languages and cultures. Both the countries have also signed Education Exchange Programme in 2005.

The Thai Bharat Cultural Lodge, Bangkok is involved in promoting cultural interaction between the two countries. Though, India and Thailand signed first cultural agreement in April, 1977, but these relations remained at low ebb. It was in 1995 that India held a year long ‘Festival of India’ in Thailand, and a month-long festival of Thailand was held in New Delhi and Calcutta in August 1997.

**Future Areas of Cooperation**

The success of India’s Look East policy vis-à-vis Thailand depends on expansion of relationship between the two. India has a lot to offer to Thailand in the field of education, defence, industry and science and technology. For example, India can help in setting up pharmaceutical industry, and export drugs and other medicine. India can also help Thailand to develop knowledge based economic activities and provide professional and technical manpower, particularly in IT sector. The gems and jewel industry of India can extend its operation to Thailand. India can make use of Thailand’s expertise in the food-processing industry, particularly in deep sea fishing and other marine related activities. India faces a trade deficit with Thailand and can identify potential areas in which it can increase exports to gain a balance in trade. Tourism can also provide another basis of cooperation between the two countries. Rising terrorism, sea piracy, drug trafficking and common regional security concerns can be the basis of future cooperation between the two countries.

**Myanmar**

India and Burma have a long history of relations. Burma was part of British India till 1937. Indians were present in large number in every department of Burmese public service --police, military or civil. Leadership of both the countries supported each other’s National Movement. The mutual understanding and close contacts between the leaders of the independence struggle helped to have friendly relations after their independence in August 1947 and 1948, respectively. As both the countries shared common ethnic tribes along the border, Government of India issued a notification in July 1948, permitting tribes on both the sides of Indo-Myanmar border to cross the border up to 40 km. on either side without a passport.
Presence of large Indian population in Burma and their maltreatment however, remained a burning issue between the two countries in the earlier days after independence. Due to growing atrocities on Indians, Prime Ministers of both the countries started regular consultations and cooperation on issue. Despite such problems India continued its efforts to maintain healthy and cordial relationship with Burma. India provided arms and six airplanes in 1949 when Burma faced a widespread insurgency aided and abetted by China and extended help to quell the internal crisis. A special loan of 5 million rupees was also extended to Burma.

Both the countries concluded a five year Treaty of Peace and Friendship in July 1951 and in 1953 Prime Ministers of both the countries made a joint tour of the Indo-Burma border especially the areas inhabited by the Naga tribes. Both the countries advocated freedom of Indonesia from the Dutch. They had harmony of views in many international forums including the non-aligned movement.

In late 1950s Burma started moving closer to China. They signed a border agreement and a Treaty of Friendship and Mutual Non Aggression on 28 January 1960. As China declared War on India in 1962, Burma did not condemn it and remained neutral during the war. When Prime Minister U Nu was deposed in 1962, he was given political asylum by India. These developments had an adverse affect on the relations. In 1964 Burma declared its nationalization policy, designed to target the population of India origin. Government of General Ne Win effectively built up a military backed totalitarian set up after 1962. Military Command Councils decided the course of Burma’s domestic and foreign policy and opposition was abolished.

Shortly thereafter the Burmese government discovered that many of the insurgent activities within its border were aided by China. Disillusioned Burma began moving close to India again. Cordial equation between Prime Minister Indira Gandhi and General Ne Win also contributed to this change. During this period joint patrolling of the border was initiated to prevent the infiltration and border problem was sorted. General Ne Win’s visit to India in March 1968 and November 1980 and Indian Ministers of External Affair (Swaran Singh and Atal Bihari Vajpayee) visit to Burma in 1973 and 1977 respectively helped in strengthening trade and economic cooperation. Prime Minister Rajiv Gandhi visited Myanmar in March 1987 to strengthen the relations.

India faced a dilemma vis-à-vis Burma. On the one hand it had to deal with the ruling military junta and on the other had to extend its support --in principle-- to the pro democracy movements there. Till the dawn of 1990s India’s support to the
democratic aspirations of the people of Myanmar continued. However, after the initiation of Look East policy and fast changes in world economic scene, India has made many efforts to rebuild a viable and mutually beneficial relationship with Burma. They have also identified the important areas in which both can cooperate.249

Trade and Commerce

Up to the 1960s, India was an important trading partner of Myanmar and rice was major export. After the initiation of India’s Look East policy, both the countries signed Border Trade Agreement in 1994250 and established a Joint Trade Committee (JTC) in July 2003 with a purpose to boost bilateral trade. Confederation of Indian Industries, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and the Myanmar Computer Federation, signed a MoU in 2004, under which the India-Myanmar Joint Task Force was created to make recommendations to enhance bilateral trade.251

India is now Myanmar's fourth largest trading partner (after Thailand, China and Singapore), second largest export market (after Thailand), and seventh largest source of its imports. India’s major export to Myanmar include organic chemicals, pharmaceutical products, rubber and articles, iron and steel, copper articles, tools implements, electrical machinery, railway locomotives, rolling-stock and parts, vehicles. Major import from Myanmar comprise coffee, tea, spices, oil seeds, grains, lac, gums, resins, animal vegetable fats, ores, slag and ash, rubber and articles, raw hides and skins, wooden and tin.252


Table-3.13

Bilateral Trade between India and Myanmar (1996-2006)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Trade With ASEAN</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>5836.45</td>
<td>177.20</td>
<td>45.20</td>
</tr>
<tr>
<td>1999-00</td>
<td>6866.66</td>
<td>171.59</td>
<td>34.10</td>
</tr>
<tr>
<td>2002-03</td>
<td>9768.71</td>
<td>336.04</td>
<td>75.07</td>
</tr>
<tr>
<td>2003-04</td>
<td>13254.82</td>
<td>409.01</td>
<td>89.64</td>
</tr>
<tr>
<td>2004-05</td>
<td>17540.55</td>
<td>405.91</td>
<td>113.19</td>
</tr>
<tr>
<td>2005-06</td>
<td>21294.98</td>
<td>525.96</td>
<td>110.70</td>
</tr>
<tr>
<td>2006-07</td>
<td>30693.50</td>
<td>781.93</td>
<td>139.95</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Ministry of Commerce, Government of India
http://commerce.nic.in/eidb/Default.asp
Table- 3.14
Top 10 Major Export Commodities to Myanmar (1996-2006)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1996</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic chemicals</td>
<td>0.18</td>
<td>0.93</td>
<td>1.23</td>
<td>1.62</td>
<td>2.04</td>
</tr>
<tr>
<td>Pharmaceutical products</td>
<td>1.69</td>
<td>14.91</td>
<td>20.45</td>
<td>25.39</td>
<td>37.57</td>
</tr>
<tr>
<td>Rubber and articles</td>
<td>2.30</td>
<td>3.58</td>
<td>4.43</td>
<td>4.44</td>
<td>6.47</td>
</tr>
<tr>
<td>Iron and steel</td>
<td>22.10</td>
<td>29.63</td>
<td>18.10</td>
<td>37.31</td>
<td>6.47</td>
</tr>
<tr>
<td>Articles of iron or steel</td>
<td>1.29</td>
<td>7.41</td>
<td>12.33</td>
<td>4.24</td>
<td>6.32</td>
</tr>
<tr>
<td>Copper and articles</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tools implements</td>
<td>0.27</td>
<td>1.35</td>
<td>1.70</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nuclear reactors</td>
<td>1.47</td>
<td>2.83</td>
<td>15.67</td>
<td>6.07</td>
<td>5.96</td>
</tr>
<tr>
<td>Electrical machinery</td>
<td>0.94</td>
<td>1.73</td>
<td>6.72</td>
<td>4.80</td>
<td>6.13</td>
</tr>
<tr>
<td>railway locomotives</td>
<td>-</td>
<td>0.15</td>
<td>0.14</td>
<td>0.06</td>
<td>1.90</td>
</tr>
<tr>
<td>Vehicles</td>
<td>0.94</td>
<td>2.51</td>
<td>5.97</td>
<td>4.71</td>
<td>3.77</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Ministry of Commerce, Government of India.
http://commerce.mcin/edib/ecntcom.asp.

Table-3.15
Top 10 Major Import Commodities to Myanmar (1996-2006)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1996</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edible vegetables</td>
<td>128.51</td>
<td>231.67</td>
<td>177.64</td>
<td>252.75</td>
<td>495.18</td>
</tr>
<tr>
<td>Edible fruit</td>
<td>2.89</td>
<td>1.49</td>
<td>1.34</td>
<td>0.70</td>
<td>0.59</td>
</tr>
<tr>
<td>Coffee, tea, mate and spices</td>
<td>0.29</td>
<td>1.42</td>
<td>0.66</td>
<td>0.54</td>
<td>0.42</td>
</tr>
<tr>
<td>Oil seeds, misc. Grains</td>
<td>0.22</td>
<td>0.28</td>
<td>0.12</td>
<td>0.08</td>
<td>0.09</td>
</tr>
<tr>
<td>Animal, vegetable fats</td>
<td>1.00</td>
<td>1.20</td>
<td>-</td>
<td>0.03</td>
<td>-</td>
</tr>
<tr>
<td>Ores, slag and ash</td>
<td>0.16</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.04</td>
</tr>
<tr>
<td>Rubber and articles</td>
<td>-</td>
<td>0.23</td>
<td>0.65</td>
<td>3.99</td>
<td>2.00</td>
</tr>
<tr>
<td>Raw hides and skins</td>
<td>0.45</td>
<td>0.34</td>
<td>0.26</td>
<td>0.97</td>
<td>1.16</td>
</tr>
<tr>
<td>Wood and articles</td>
<td>43.36</td>
<td>170.31</td>
<td>223.26</td>
<td>265.00</td>
<td>280.45</td>
</tr>
<tr>
<td>Tin and articles</td>
<td>0.13</td>
<td>-</td>
<td>0.18</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Ministry of Commerce, Government of India.
http://commerce.nicin/edib/ecntcom.asp.

Burma had a closed economy under the military government, which discouraged foreign investment in the country. The country remains least developed of all Southeast Asia. India’s investment in Burma accounted for merely 1.1% (about US $ 4.5 million) of the total FDI in the country.253

Industry and Agriculture

India has no industrial presence in Myanmar, though Mumbai-based Indo-Myanmar Chamber of Commerce & Industries has been actively lobbying for the industrial cooperation between the two countries. In 2004, India signed seven MoUs to extend cooperation in different field of industry and infrastructure.254 Ranbaxy, Titan Watch, BSNL, ONGC Videsh Ltd. and GAIL have recently shown their presence in Myanmar.255

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Agriculture contributed about 55 percent to the GDP of Myanmar in 2003. To promote cooperation in the fields of agriculture India and Myanmar signed a MoU in April 1998. Joint activities in the areas of crop science, agricultural research and extension were intended to be promoted under the MoU. India has offered cooperation in the development of sericulture, horticulture, jute production, sugarcane production, use of fertilizers and pesticides, arid zone agriculture, cooperative farming etc. Under this MoU, Myanmar sought investment and has offered to lease land to Indian farmers for agriculture. Cooperation in the field of agriculture is very limited between the two countries which may gain momentum in future.

Science and Technology

India, with its huge scientific manpower and institutions, has great potential to help Myanmar in different ways. It signed an agreement in science and technology in 1999 under which a Joint Working Group was set up for Scientific and Technological Cooperation. This was intended to promote the exchange of visits, organize thematic workshops, train Myanmar scientists and technical personnel and offer post-doctoral fellowships in Indian institutions in the fields of basic and fundamental research. Both the countries have intended to collaborate in the areas of scientific and medical instrumentation, aquaculture and biotechnology, metrology, standards and quality certification and non-conventional sources of energy. India has assisted Myanmar to set up a Data Processing Centre in Yangon for remote sensing application. National Institute of Ocean Technology (NIOT) has helped Myanmar to install tide gauges at Yangon and Pathein. India has helped Myanmar to delimit its continental shelf and organized a workshop for Myanmar scientists at the National Center for Antarctic and Ocean Research (NCAOR) in Goa in October 2005. As a part of Science and Technology Cooperation Programme, solar electrification of a village in upper Myanmar was completed in October 2000 by Central Electronic Ltd. (CEL). Meteorology Department of India has trained Myanmar Scientists in some areas of Metrology.

Defence Cooperation

Myanmar shares a long, porous and insurgent infested border with India. The rebel groups in India’s northeast have been a major security threat to both the
countries. India can not ignore the growing presence of China in Myanmar, especially on its strategically located islands. Due to this presence India’s trade in the Bay of Bengal can be severely threatened in any crises. Moreover, India has to project itself as an alternative to China in the regional security dependence. Keeping its security obligations, India has extended its defence cooperation.

To combat the menace of insurgency both the countries launched a joint mission in February 1998. Over the past few years joint military operations have been conducted against rebel groups in the northeast of India. Both have also agreed to check “cross border terrorism” and share intelligence inputs. Both the countries regularly exchange goodwill visits of their defence personnel and navies make calls at each other’s ports. India has also provided training to Myanmar’s defence officers under ITEC programme and Myanmar has participated in MILAN since 2003 and has also sought defence hardware from India.

**Education**

Myanmar barely looked at India as a source of higher education throughout its independent existence. India has made it a part of Look East policy to expand its expertise to the countries of Southeast Asia. In June 2003 both the countries signed a MoU on education for the purpose of joint training, research, seminars, conferences exchange of scholars and collaboration in technology. Another MoU was signed between the Ministry of External Affairs, Education Consultants India Ltd., and the Government of Myanmar, to depute teachers from India for short term courses in universities of Myanmar. To exchange and promote Buddhist teachings a MoU was signed in March 2006. Under the Technical Cooperation Scheme (TCS) of Colombo Plan, ITEC, GCSS, MGC and Cultural Exchange Programme, various areas of training have been identified. The Archaeological Survey of India offers seats in its Post-Graduate Diploma course for trainees from Myanmar and also placement of Myanmar engineering and medical students in professional courses, deputes of Indian experts for short duration to different Universities in Myanmar. To promote cultural cooperation both the countries signed an agreement on cultural cooperation in 2001. A Culture Exchange Programme for 2004-06, was also signed in 2004. India has also taken initiatives and offered its expertise to preserve and protect various historical monuments in that country.
Future Areas of Cooperation

Myanmar is the only country of Southeast Asia sharing land borders with India. Due to long military rule and close affinity with China, Myanmar has not been close to India. However, during the last few years they have begun cooperation - though limited - in certain areas. Both have great potential to cooperate in the field of agriculture, defence, education and transfer of technology. They have to promote economic cooperation in future. The growing cross-border insurgency, terrorism and threat to sea-lanes are common concerns of both the countries and deserve closer cooperation. Myanmar can come more close to India if a democratically elected government comes to power which truly represents the aspirations and expectations of the people.

India devised the Look East policy as an effort to cultivate extensive economic and strategic relations with Southeast Asia in general and the above discussed select states in particular. The Policy has expanded in its reach to bolster India’s standing as a regional power and counterweight the strategic influence of China in Southeast Asia. Under the Look East initiative India succeeded to become a Sectoral Dialogue Partner in 1992, a Full Dialogue Partner in 1995, a member of Council for Security Cooperation in the Asia-Pacific (at par with China, Japan and Korea ) in 2002. India acceded to ASEAN’s Treaty of Amity and Cooperation in 2003. Expansion of the Policy further culminated in the development of multilateral organizations such as the Mekong-Ganga Cooperation and BIMSTEC, forging extensive cooperation on environmental, economic development, security and strategic affairs.

India has established commercial, cultural and military ties with Indonesia, Malaysia, Singapore, Thailand and Myanmar. It has signed Free Trade Agreements with Singapore and Thailand, stepped up military cooperation with Indonesia, Malaysia, Singapore, Thailand and Myanmar. It has signed Comprehensive Economic Cooperation Agreement with Singapore and Early Harvest Scheme with Thailand. India has stepped up engagement with these countries fuelled by its needs for cooperation on counter-terrorism, humanitarian relief, anti-piracy, maritime and energy security, confidence building and balancing the influence other powers, notably China. Establishment of Joint Command off Port Blair, joint naval exercises
with Singapore, joint patrolling with Indonesia in the Andaman Sea speaks of increasing Indian involvement with these countries.

Many Indian companies have invested in these states and set up joint ventures in the areas of mutual benefit. Indian banks are setting up their operations in Singapore, Indonesia and Malaysia. It is offering expertise in the field of agriculture and has signed many MoUs. It has also offered cooperation in the emerging areas like bio-technology apart from water resources management, poultry, post-harvest technology etc.

India has signed many agreements with Indonesia, Malaysia and Singapore in the field of science and technology. Its specialized agencies have signed many MoUs for cooperation in space research, medical science, nanotechnology and information technology. Many programmes have been mooted by India to train military personnel, scientists, engineers, instructors and teachers. To expand and rejuvenate its age old cultural ties, India has established its cultural centers in the select states, established Indology courses and sends teachers to teach Indian languages (especially Sanskrit), Yoga, Buddhism etc. Cultural troupes from various parts of India and organizing of Indian festivals in these countries are significant steps. India has successfully showcased its cultural, music, dance etc in these countries. Thus, India has made every effort to develop bilateral or multilateral mechanism to expand cooperation in every field with select states. Whether the select states have responded to India’s efforts will be examined in the next chapter.

References


Ghoshal, Baladas: India and Indonesia, in Sinha, Atish and Mahota, Madhup (eds.): Indian Foreign Policy: Challenges and Opportunities, Academic Foundation, New Delhi, 2007, p. 789.

Though Look East policy covers the entire East Asia, but it ignored the least developed countries of Indochina region. See, Suryanarayan, V: Southeast Asian Studies: Need for Introspection, in Lakshmana, Chetty (ed.): India’s Relations with Southeast Asia: Problems and Prospects, S.V. University, Tirupati, 1999, pp. 1-12.

Goshal, India and Indonesia, in Sinha and Mahota, op. cit., p. 802.

Ibid.,


Goshal, India and Indonesia, in Sinha and Mahota, op. cit., p. 802.


Indonesia had given Pakistan eight MiG-19 jet fighters during the India-Pak War of September 1965. Also, the Indian Missions were stoned, damaged their property and violence offered to members of the community in Djakarta and other towns. On September, 1965, about 1,500 Nahdatul Ulama Party demonstrated outside the Indian Embassy in Djakarta, shouting anti-Indian and pro-Pakistani slogans. The feeling against India took a violent turn when India commenced its diversionary counter-offensive on September 6. On September 9, the Indian Embassy was ransacked. See, The Statesman, 10 September, 1965.


Ibid.,


Sekhar, India Indonesia Relations, op. cit., p. 2.

India, Indonesia vow to Fight Terrorism, The Tribune, 3 September 2003.


“Trade with Indonesia Needs to be Diversified”, op. cit.,

Ibid.,

Sekhar, India-Indonesia Relations, *op. cit.*, p. 3.


Indian companies working in Indonesia include Rama Synthetics, Five Star Industries Ltd., Indo-Bharat Rayon, Elegant Textiles Industry, Sunrise Bumi Textile Industries, Gokak Indonesia, Jay Kay Files Indonesia, South Pacific Viscose, Lotus Indeh Textile Industries, Bitratex Industrial Corporation, Kewalram Indonesia, Essar Dhananjaya and Indo Liberty. See, Simomara, *op. cit.*


Simamora, *op. cit.*


India and Indonesia Agriculture Cooperation-PM’s Visit to Indonesia. See at, Press Information Bureau, Government of India, [http://pib.nic.in/archive/pm_visit/iindoir4.html](http://pib.nic.in/archive/pm_visit/iindoir4.html); also see at, Embassy of India, [http://www.embassyofindiajakarta.org/content.php?sid=71](http://www.embassyofindiajakarta.org/content.php?sid=71).


Ghoshal, Baladas: India and Indonesia, in Sinha and Mahota, Indian Foreign Policy, *op. cit.*, p. 806.

Sekhar, *India Indonesia Relations*, *op. cit.*, p. 5.


The Chairman of ISRO, Dr. K. Kasturirangan, during his visit to Jakarta in February 2001, agreed to enhance the existing cooperation in the field of remote sensing. See, India, Indonesia to Establish "Strategic Partnership" in Tune With Realities, *The Hindu*, 24 November, 2005.

The MoU was signed during the Prime Minister Atal Bihari Vajpayee’s visit to Indonesia from January 10 to 14, 2001. See, Ghoshal, India and Indonesia, in Sinha and Mahota, Indian Foreign Policy, *op. cit.*, p. 806.


For further cooperation both the countries intend to set up Ocean Dynamics Studies for the onshore line construction from the wave actions, digital library, and information exchange for disaster mitigation are actively under consideration for implementation. A three member Indonesian team participated in an International Conference on digital library at the University of Mysore during June 2001. See, ISRO Signs MoU with Indonesian Institute, *The Times of India*, 4 April 2002; also see, Annual Report, 2001-02, Ministry of Science and Technology, Government of India, New Delhi, 2001. See, [http://dst.gov.in/about_us/ar01-02/international-st.htm](http://dst.gov.in/about_us/ar01-02/international-st.htm)

For detail in this regard see, [http://www.embassyofindiafindiajakarta.org/content.php?sid=71](http://www.embassyofindiafindiajakarta.org/content.php?sid=71)

The agreement between Indian Air Force and Indonesian Air Force was signed on 28 February, 1956. This agreement provided for the exchange of pilots and officers, the training of Indonesian Air Force officers in India, the sale, loan and exchange of equipment by the two governments and the maintenance of courier air communications. By the end of 1960, about eight hundred Indonesian Air Forces personnel received training in Indian Air Force establishments. A Similar pattern of cooperation existed in navy and army of the two countries. See, Arora, *op. cit.*, p. 20.

Ibid., p. 23.

Ibid., pp. 24-25.


In November 2005, the two countries agreed to hold an annual strategic dialogue 'at senior officials' level, for which first meeting was held in the first half of 2006. India trained 9 defence officer of Indonesia in 2006. See, Annual Report- 2006-07, Ministry of External Affairs, *op. cit.*, p. 205.

To cooperate in these activities, both the countries have signed a Bilateral Agreement on Cooperative Activities in the Field of Defence in 2001. See, Shekhar, *India-Indonesia, op. cit.*, p. 1.


For example, in a joint statement at New Delhi on 23 November 2005, President Yudhoyono welcomed India’s offer of cooperation with department of Defence of the Republic of Indonesia in the procurement of defence supplies, defence technologies, joint production and joint projects. He emphasized to further increase contacts and exchange of visits between their respective defence officials and intensifies joint education and training of those officials. India and Indonesia agreed to hold an annual Indo-Indonesian Strategic Dialogue. See, Joint declaration cited in Bhashin, Avtar Singh (ed.): *India’s Foreign Relations- Documents-2005, op. cit.*, p. 879.

President Yudhoyono during his visit to India in November 2005 and the Indonesian Vice President Dr. Jusuf Kalla, during his visit in January 2007, expressed their country’s gratitude for Indian help. See, Naidu, G. V. C: *Whither the Look East Policy: India and Southeast Asia, Strategic Analysis, Vol. 28, No. 2, April-June 2004, p. 338.

In November 2006 Indian Defence Industry showcased its hardware and production capability at the Indonesian Defence 2006 Expo at Jakarta. The Indian Navy and Army Chiefs have also...

69 Recognizing that, a member of the Commission of Foreign and Defence Affairs (Sushilo) said in Indonesia Parliament that the defence cooperation between Indonesia and India will boost the Indonesian military capabilities in view of the fact that India possesses developed military technology. He emphasized on the future possibility of boosting nuclear cooperation with India, which can be beneficial for Indonesia to use nuclear energy for peaceful purposes to get its energy requirements. See, Indonesia Enhances its Strategic Partnership with India, accessed from http://www.indembcabw.com/Ind-Egy.Media/2007/MENA.htm.


72 Goshal, India and Indonesia, in Sinha and Mahota, op. cit., p. 801.

73 I2IT to Train Indonesian Students, Business Line, 16 October, 2003.

74 This MoU covers areas of cooperation such as exchange of lecturers with a view to share their respective knowledge and experience with lecturers and students of the each other countries and exchange of publications and other printed materials and exchange of other institutions in their respective countries in the field of foreign policy, international relations, international law, international economic affairs, political sciences or other subjects of common interest. See, Memorandum of Understanding between the Ministry of External Affairs of India and the Department of Foreign Affairs of Indonesia on Training Cooperation at New Delhi, 23 November, 2005 in Bhaski, India’s Foreign Relations: Documents 2005, op. cit., pp. 885-86.


76 This agreement has been reviewed and updated on 29 December, 1995. See, Sahai, Paramjit S: Culture Diplomacy: India in Singapore, in Vohra, N. N: Emerging Asia: Challenge for India and Singapore, Manohar Publishers and Distributors, New Delhi, 2003, 143.

77 The center runs regular classes in tabla, kathak dance and yoga. See, Ibid., p. 144.

78 Ibid., p. 143.

79 India’s Cultural Relations. Indian Embassy of India, Jakarta, see, http://www.indianembassy.org/policy/ForeignPolicy/seasia.htm.


81 The cultural delegations exchanged by both the countries include: Daksha Sheth and Aditi Mangaldas (Dance); Thang Ta, Hari Prasad Chaurasia, Vikka Vinayakram and Indian Ocean (Music) for Festival of India in Jakarta (14 Oct-4 November, 2002); Parini Siva Tandavam, led by Shri Kala Krishna, (31 January-4 February, 2003) performed in Jakarta; Odissi Dance
Group, led by Sharmila Biswas, (31 Jan-4 Feb, 2004) gave its performances in Jakarta and Bandung; Prof. Sachidanand Sahay delivered lectures on Ramayana and Indian cultural linkages with South East Asia at Bali and Jakarta in March, 2005. The Indonesian troupes which came to India include, Balinese Ramayana Group in February-March 2003 and in November, 2004. For India’s Cultural Relations. See, http://www.indianembassy.org/policy/Foreign Policy/seasia.htm.

82 Mukul; Rahul and Srivastava; op. cit., pp. 65-66.
83 Ibid.,
85 Nanda, op. cit., p. 349.
88 Nanda, op. cit., p 270.
89 Reported in, Hindustan Times, 6 June, 1968.
90 Malaysian Labour Minister J. L. Hathi’s Statement in, The Strait Times (Singapore), 28 October, 1968.
92 The meeting took place during the Commonwealth Summit at the Bahamas in 1985. See, Nanda, op. cit., p. 339.
93 Sekhar, Vibhanshu: India-Malaysia Strategic Dialogue, op. cit.,
94 Singh, Yogendra: India Malaysia Relations: It is time to get Going, op. cit., p. 1.
95 These MoUs include Avoidance of Double Taxations and Preventions of Fiscal Evasion with respect to Taxes on Income; and Assistance and Mutual Cooperation. See, Annual Report, Ministry of External Affairs, 2001-02, p. 18.
97 Malaysia Seeks to Boost Trade Ties via Joint Venture Route, Business Line, 4 March, 2006.
99 Malaysian companies are looking to enter India with both capital and expertise in areas such as roads, telecommunications, ports, automotive components, petroleum, tourism, property development, software, etc. Sectors attracting Malaysian investment include fuels, telecommunications, electrical equipment (including computer software), photographic raw


105 See, Satyam Opens Centre in Malaysia, Sign Agreement with Microsoft, The Tribune, 29 April, 2003.

106 Prime Minister Atal Bihari Vajpayee visited Malaysia, in May 2001 and some important MoUs were signed which include: 1) contracts worth than $184 million to build up two highways in India; 2) Business agreements for two joint ventures by India’s Antrix corporation Ltd. with Malaysia’s Binariang Satellite Systems and Astronautic Technology; 3) Fly over and expressway in Andhra Pradesh by Hyderabad based Madhlicom ventures and Binapuri Holdings with investment of US$ 50 million; 4) IPP project in Kakinada between Satyam Computers and IJM Corp. (staking US$ 60 million); 5) SEW Construction of Hyderabad signed an agreement with Andhra Pradesh State Electricity Board (APSEB). The total project investment is US$ 200 million; 6) Gayatri Consortium with HSS Integrated agreed to build the 18 kms. Nellore bypass road; 7) Indian Power Projects and Malakoff Bhd. agreed to set up a 2000 mw a gas turbine power projects in Vembar, Tamil Nadu; 8) Mahindra & Mahindra Ltd., signed MoU with ACE Active Trade for the distribution of their vehicles in Malaysia. See, Annual Report 2001-02, Ministry of External Affairs, op. cit., p. 18; Rao, K. Sambasiva, op. cit., p. 265; also see, The Economic Times, 1 September, 1997.


108 Similarly, India based Manipal and Medical Group International Ltd. has set up a stem-cell research laboratory. Biotech Corp. has signed a MoU with another India-based bio-technology and bioinformatics company-Avesta Gengraine Pvt. Ltd. (Avesthegan), focusing on the convergence between food, pharmaceuticals and Chemical genomics leading to preventive personalized medicine. See, India’s Ballarpur Invests US $261 Million to Buy SFI, The Star Biz, 17 March, 2007; also see, Bernama Malaysian Official News Agency, 9 May, 2007.


111 Singh, Yogendra, India Malaysia Relations. op. cit., p. 3.
112 Ibid., p. 4.
115 Ibid.,
117 Malaysia decided to buy the Russian MIG 29 fighter air craft. Malaysian Prime Minister suggested that India could extend service and training facilities and supply spare parts. For detail see, Naidu, Whither the Look East Policy, op. cit., p. 339.
118 The MoU led to set up Malaysia-India Defence Cooperation Meeting (MIDCOM). Its first meeting was held at Kuala Lumpur in February 1993. Second meeting was held in May 1997. In its fifth meeting held in September 2006, it identified the areas of cooperation such as: exchange of military observers to witness training exercises; exchange of instructors in many training establishments; exploration of possibility by India to provide assistance to Malaysia in capacity building with regard to patrolling of the straits of Malacca; and setting up a Regional Maritime Training Centre under the Malaysian Army (ARI). The focus of the defence cooperation has been on training of the Malaysian military personnel in India. See, Naidu, Whither the Look East Policy, op. cit., p. 339; also see, Sekhar, India-Malaysia Strategic Dialogue, op. cit., p. 2
119 Bhattcharyya, op. cit.,
120 Naidu, G. V. C: India’s Strategic Relations with Southeast Asia, in Ghosal, Baladas (ed.): India and Southeast Asia, op. cit., p. 28.
121 On this occasion, two Indian war ships --INS Rana and INS Kukri-- made a “goodwill visit” to port Klang in Malaysia. Both the countries intend to cooperate in joint defence exercises, combat piracy and crimes on the seas, and Operational Turn Round (OTR) and goodwill visits of each other’s ships. See, Prakash Nanda, op. cit., pp. 351-352.


127 These institutes include Manipal Academy of Higher Education; Jawaharlal Nehru Medical College Belgaum, Karnataka; M.S. Ramaiah Medical College, Bangalore; Christian Medical College, Vellore, Tamil Nadu. Indian Educational Institutes offering training programmes in MBBS/BDS in Malaysia: Melaka-Manipal Medical College, Penang International Dental College. See at, India High Commission, Malaysia, http://www.indianhighcommission.com .my/education_india.html.

128 The Melaka-Manipal Medical College and Penang International Dental College are prime examples of initiative by Indian institutions have taken initiatives to set up higher educational institutions in Malaysia. The NIIT and APTECH have also set up joint ventures to impart IT education in Malaysia. India has set up a chair of contemporary Indian Studies in Kebangsaan University in Malaysia and a chair of contemporary studies on Malaysia at the University of Madras See, Ibid.; also see, Prashar, A. S: Prime Minister Woos Malaysia on Kashmir, The Tribune, 15 May, 2001.

129 The first Cultural Agreement between India and Malaysia was signed on 30 March, 1978. The agreement envisaged strengthening of existing friendship between the two countries and adoption of specific measures to promote further understanding and cooperation in the fields of culture, music, literature, education, mass media, sports and other activities. See, First Cultural Agreement between India and Malaysia, in Naik, J. A (ed.): India in Asia and Africa: Documents: 1976-1978, Avinash Reference Publications, Kohlapur, 1981, p. 224.

130 Cultural troupes of traditional and folk dances, puppet shows, martial art and qawwal groups -mostly sponsored by ICCR-- have performed at the Centre and various other cities in Malaysia. The Centre has organized exhibitions in Indian paintings, posters, books and crafts as well as tourism and food promotions. From key note Address by Dato Seri Syed Hamid Albar, Ministr of Foreign Affairs of Malaysia at the Luncheon Talk: India-Malaysia Strategic Dialogue in New Delhi on 10th April, 2007. Accessed from, http://www.kln.gov/my/?m_id=15andhid=447.


CECA was signed on the recommendations of India-Singapore Joint Study Group, set up in 2002. The CECA came into force in June 2005. The CECA prescribes immediate tariff elimination for 506 goods under the Early Harvest Programme (EHP) and phased tariff elimination for more than 4500 items between 2005 and 2009. Some of the key components of the India-Singapore CECA include Mutual Recognition Agreements (MRA) for eliminating duplicate testing and certification of products; Setting up of a Joint Council to oversee the MRA; A Protocol, revising Double Taxation Avoidance Agreement, offering zero capital gains tax for Singaporean companies along the pattern of concessions given to Mauritius; Improved market access and fair and impartial domestic regulation; A bilateral trade promotion and protection treaty; Unrestricted access to the Indian and Singaporean banks in each other’s country; Enhanced investment limits for Temasek Holdings and the Government of Singapore Investment Cooperation (GIC) Cooperation on financial services such as between the stock exchanges of the two countries; Economic cooperation in areas like education, science, technology, air services and intellectual property; and Relaxation visa regimes for Indian professionals in several areas such as information technology, medicine, engineering, financial, and advertising professionals. See, Press release issued by the Ministry of Commerce on the signing of the Comprehensive Economic Cooperation Agreement with Singapore. Cited in, Bhashin, Avtar Singh: India’s Foreign Relations- Documents-2005, op. cit., p. 946.

In 1996-97 India’s imports from Singapore stood at US $ 841.10 million, which increased to US $ 3,354 in 2005. In 1996-1997, the export to Singapore stood at US $ 977 million and

148 Sekhar, India-Singapore Relations, op. cit., p. 3.

149 Ibid., p. 4.

150 The main partners in this project are a consortium of Singapore companies led by Ascendas International, the Tata Group and the Karnataka State government with 40: 40: 20 share. Ascendas international is also partnering Larsen and Toubro, India’s largest construction company for similar IT parks in other cities. See, Singapore Tourism Hopes for 15% Growth in Indian Tourist Arrivals, Business Line, 10 January, 2008.

151 In the late 1960s Singapore gave priority to high technology industries and took several measures to set up industries; an Industrial Relations Act was passed in 1970; National Wage Council was established in 1972; technical and professional schools were established to give training and on-job-training which has been provided through National Productivity Center and Economic Development Board and in 1979 Singapore launched a series of policy initiatives to boost the industries. See, Nyaw, Mee-Kau and Chan, Chan-leong, “Structure and Development Strategies of the Manufacturing Industries in Singapore and Hong Kong: A Comparative Study”, Asian Survey, Vol. 22. No. 5. May 1982, pp. 459-460.


153 In 1973, Tatas set up a Technical Training Institute in Singapore, in collaboration with the government to train tool- makers, precision machinists and skilled craftsmen --crucial to Singapore’s industrialization at that time. See, Ray, Sunanda K. Datta: Rediscovering Suvanabhumi: India and South-East Asia, in Sinha and Mahota, op. cit., p. 416.


155 Banerji, op. cit.,

156 IT companies of both the countries have set up many joint ventures. Singapore Telecommunications Ltd. (SingTel) and Bharti Enterprises has US $ 650 million joint venture to build the world’s largest cable network. It is India’s first private sector undersea fibre-optic cable network. Star Hub of Singapore has a similar joint venture with Reliance India. In October 21, 2002, Tata Consultancy Services (TCS), has signed a MOU with NEC Singapore to explore collaboration in four key areas – security products and solutions, sale of NEC supercomputers, e-Government solutions, web integration and software development. Both companies also hope to explore joint marketing and technology development within this region, including India. See, Joseph, K.J. and Parayil, Govindan: India-ASEAN Cooperation in Information and Communication Technologies: Issues and Prospects, Research and Information System Discussion Paper No. 70/2004, April 2004, p. 17.

158 Ibid.,
159 See, Joseph and Parayil, op. cit., 17.
161 For example, Tata Steel acquired Singapore based Nat Steel Asia to leverage on the latter’s network of Steel mills in the Asia-Pacific region and expand Tata Steel’s outreach. See, Ibid.,
162 The Port of Singapore Authority (PSA) joined hands with the South India Cooperation ( Agencies) Limited (SICAL) in order to bid for the up gradation of Tuticorin port in Tamil Nadu. In 2000-01, the PSA set up a joint venture with the Government of Gujarat to develop a container terminal at the Pipavav port in Gujarat, which is India’s first private sector-run port. The Singapore-based consortium of International Seaports Private Ltd. (ISPL) had received a contract in 1999 to further upgrade the Kakinada project in Andhra Pradesh. Singapore has also invested to develop software technology parks in India, such as the Madras Corridor and International Tech Park Limited (ITPL) near Bangalore. See, The Hindu, 30 June, 2005.
164 The MoU was signed during the visit of the Singapore Prime Minister Goh Chok Tong to India in January 1995, that put in place a framework for cooperation, particularly in the field of commercialization of technologies developed by Council of Scientific and Industrial Research (CSIR) of India. Under the 25 member delegation of Indian scientists visited Singapore in September 1995. A high level delegation from Singapore visited India in October 2000 to take part in the first meeting of the Task Force on Information Technology. See, Prakash, op. cit., p.326.
166 During the visit of the Director, Singapore Synchrotron Light Sources (SSLS) to the centre for Advanced Technology, Indore, Nuclear Science Centre (NSC), New Delhi and Bhabha Atomic Research Centre (BARC), Mumbai in April 2001, an understanding was reached on the utilization of Synchrotron facilities in each other’s country for carrying out the various beam line experiments. See, Annual Report 2000-01, Ministry of Science and Technology, http://www.dst.gov.in/about-us/ar00-01coop.htm; and Annual Report 2001-02, Ministry of Science and Technology, http://www.dst.gov.in/about-us/ar01-02internationals.htm.
167 Indian President A P J Abdul Kalam during his visit to Singapore in 2005, proposed collaboration between the Aeronautical Development Agency of Singapore and the Hindustan Aeronautics Limited for possible joint venture in designing, developing, producing and marketing ASEAN Passenger Jets. The two countries have also been engaged in deliberations over joint programmes for aircraft maintenance, repair and overhaul given to growing demand.
The agreement led to the setting up of an India-Singapore Defence Policy Dialogue, which has so far held three meetings, the last one being in October 2006 in Singapore. This forum acts as a high-level platform for discussions on bilateral defence cooperation and common security issues. See Sekhar, India-Singapore Relations, op. cit., p. 2.

In the wake of growing international and maritime terrorism, the two Prime Ministers noted their common concerns and the identity of their views on the threat to open and democratic societies from terrorism and extremist violence. They called for effective international cooperation to combat terrorism and deny sanctuaries to terrorist outfits. They welcomed the institutionalization of the bilateral Joint Working Group on Intelligence Cooperation on Combating Terrorism and transnational Organized Crime and the finalization of the bilateral Mutual Legal Assistance Treaty on Criminal Matters. See, Joint press statement issued at the end of the visit of Singapore Prime Minister Goh Chok Tong, at New Delhi, July 10, 2004, in Bhashin, Avtar Singh (ed.): India’s Foreign Relations: Documents-2004, op. cit., p. 960.

The Singapore Defence Minister Teo Chee Hean arrived India on a four day state visit. The members of the delegation comprise the MOD Policy Officer Sil Lin Low, the MOD Permanent Secretary Peter Ho Hak En and Changi Air Base Project Director, Richard Christopher Pareira. Singapore Defence Minster Teo Chea Hean, called on Indian counterpart, George Fernedes, both sides held discussion on matters of mutual interest and defence cooperation. Officials especially focused on naval cooperation to prevent high sea piracy in the Andaman Sea. Hean later met Deputy Prime Minister, L. K. Advani. The three services Chiefs- Madhvendra Singh, N. C. Vij and S. K. Krishnamurthy called on him separately. See, Singapore-India Defence Cooperation Discussed, The Hindu, 14 October, 2003.

A delegation led by Mr. Tan Chang Yee, Ministry of Education, Singapore visited NCERT on August 2, 2005 to discuss the recent developments in India in the areas of curriculum and pedagogy. The delegation comprised of Mr. Lim Lai Cheng from Curriculum Planning and Development Division, Ministry of Education, Singapore, Mrs. Lysia Kee, Principal Bukit Batok Secondary School, Leonard Chua, HOD:English Language, Fare Field Methodist Primary School and the delegates discussed the position papers prepared by the National Focus Group on Teaching of English language. An interactive discussion was held monitoring and supervision, curriculum development for the open learning system, and salary of teachers.
After the interactive session, the delegation visited CIET to have first hand experience of the functioning of the educational technology and publication department of NCERT. See, Annual Report 2005-06, NCERT, New Delhi, 2005. See at, http://ncert.nic.in/sites/annual%20report/Annualreport%20English05-06/chap16.pdf.


178 The Board sent a delegation to India in September 1999 to explore such possibilities. For detail see, Annual Report 1999-00, Ministry of External Affairs, Government of India, Policy Planning and Research Division, New Delhi, 2006, p. 17.


180 This programme was signed in 2000 between the two countries. A MoU was also signed to loan artifacts to the Asian Civilization Museum of Singapore. For detail see, Annual Report 2000-01, Ministry of External Affairs, op. cit., p. 24.

181 These include the Singapore Fine Arts Society, Nrityalaya, Kalamandir, the Expatriate Indian Women’s Club. For detail see, “Relations between India and Singapore—A Brief Overview”, Accessed from, http://www.embassyofindia.com/IndiaSinga_cultural.asp.

182 Indian Culture is also spread along regional and linguistic lines like Tamil, and Keralite Indians. A cultural troupe of 14 members sponsored by ICCR visited Singapore in May 2006 and performed a dance drama “Baliyatra” on 17 May 2006. Nalanda Symposium was held in Singapore on 13 November 2006. The Indian High Commission, in collaboration with various local cultural organizations and sponsors, organized a week long “Celebrating India 2006” from 10-16 April 2006. Indian films and music are highly popular and have a ready market in Singapore. See, Annual Report 2006-07, Ministry of External Affairs, op. cit., pp. 27-28.

183 India has influenced Thai social mores in many ways. Sanskrit and Pali is said to be progenitors of Thai language. King, Ashoka (273-232 BC) had dispatched a Buddhist mission to Chao Phraya River Basin, known as Suvarnabhumi or Golden Land, before the Thai settled down in that area. The Thais kingdoms like Sukhothai (1237-1350) and Ayudhya (1350-1767) were influenced by both Buddhism and Hinduism. The Hindu influence is evident in Thai painting, music, architecture, palaces and literature. Thailand was indeed the cultural and intellectual offspring of India. See, Dutt, V. P: India’s Foreign Policy, op. cit., p. 282.


The year 1954 marked a turning point in Thai foreign policy, as it signaled a shift in the U.S. attitude toward defense commitments on the mainland of Southeast Asia. Thailand had watched the deterioration of France's position in Indo-China and had felt the growing threat from China after the communists had gained control of the mainland in 1949. Thailand began to search for allies and only non-Communist great power which had interests in Southeast Asia and had military power to protect the area against Communist pressure was the United States. It therefore, became a primary objective of Thai foreign policy in 1954 to obtain a military guarantee of Thailand's security from Washington. Thailand became member of SEATO in 1954. See, Nuechterlein, Donald E, “Thailand and SEATO: A Ten-Year Appraisal”, Asian Survey, Vol. 4, No. 12, December 1964, p. 1174; also see, Nehru, Jawaharlal: India’s Foreign Policy: Selected Speeches, September 1946-April 1961, op. cit., pp. 88-89.


King Bhumbibol Adulyadej described the visit as an important landmark in the relationship between the two countries. We seek cooperation with all countries and particularly with those who are our close neighbour like yours..... And V. V. Giri spoke of developing cooperation with Thailand. Reported in, The Statesman, 28 March, 1972; also see, Hindustan Times 28-30 March, 1972.


Ibid.,

“Kamal Nath, Thai Minister Discuss Trade”. Reported in, The Hindu, 12 April, 2007.

For example, to boost trade between the two countries, India organized “Thailand Exhibition-2001”, in Bangalore in which ninety-six companies participated. Exhibition aimed to facilitate trade between India and Thailand by increasing the awareness and opportunities for Indian and Thai business. The CII also organized 'Made in India' show in Thailand in August, 2004 in which many sectors like automobiles, banking software, chemicals, consumer durable, cosmetics and health care, engineering and electrical goods, IT software & solutions, garments, among others participated. About 70 Indian companies displayed their products and services in the show. See, Yahya, Faizal: India and Southeast Asia: Revisited, Contemporary Southeast Asia, Vol. 25, No.1, pp. 96-97, India for Free Trade Area with Thailand, The Hindu, 9 November, 2002; also see, CII Show in Thailand to Promote International Trade”, Business Line, 11 August, 2004.

Thailand ranks 18th overall and 3rd largest investor in India from the ASEAN after Singapore and Malaysia. Top sectors attracting FDI inflows from Thailand from 1991 to 2006 are telecommunications, hotel & tourism, transportation industry, trading, and textiles and food processing industries. From 1991 to 2006, government (including RBI's automatic route) has approved 27,328 foreign collaboration (technical & financial) proposals with a corresponding foreign direct investment of Rs.2,813/US$ 71 billion. Out of this, the total number of approvals with Thailand have been about 144 (0.53% of the total approvals) with an equity participation of Rs. 26.82 (US$ 0.83) billion (0.95% of the total approvals). Thai companies’ rank 19th in terms of cumulative FDI approved from August 1991 to December 2006. Total number of technical collaborations during the last fifteen years is 7,815 out of which 41 (0.52%) are with Thailand since 1991. See at, Embassy of India, Bangkok, http://www.embassyofindia-bangkok.org/economic_relations.htm

Indian companies, NIIT and APTECH have their operational bases in Thailand in software development and computer education. Satyam Computer Services Limited has also set up a subsidiary in while 3iInfotech (Thailand) Ltd. has started functioning since 2006. In December 2005, Tata Steel acquired Millennium Steel from Siam Cement Group for US$ 175 million. Tata Steel had earlier acquired the Siam Industrial Wire Co. Ltd. - a subsidiary of NatSteel of Singapore. The joint venture, Tata Motors (Thailand), with start up capital of about US$ 13.8 million started manufacturing about 40,000 pickup trucks over the next four years to be marketed and exported in Thailand. See, Singh, Yogendra: India Thailand Relations, op. cit., p. 1.

Reported in, The Bangkok Post (Thailand), 29 June, 2005.

Sixty Years of Friendship, op. cit., p. 24.

It included exchange of visits in the areas of genomics of shrimp, infections disease-tuberculosis and malaria, setting up biotechnology incubation centre, fermentation technology
and bio-prospecting of biodiversity with a focus on medicinal and aromatic plants. A joint bio-
technology panel has been established for developing such joint activities. See, Annual Report
2003-04, Ministry of External Affairs, op. cit., p. 44.; Annual Report 2003-04 Department of
Biotechnology, Ministry of Science and Technology, Government of India, New Delhi, 2003,
p. 208.

211 See, Singh, Yogendra, India Thailand Relations, op. cit., p. 4.

212 Thailand became part of Western military alliances while India vigorously advocated non-
alignment. See, Dutt, op. cit., p. 282.

213 Economic reforms, which took place in both the countries, compelled them to come together
in different fields. See, Naidu, G.V.C: India and Southeast Asia: Look East Policy, op. cit. p.
9.


215 These defence slots include 2 for Army, 3 for Navy, 1 for Air Force, 1 for National Defence
College and 1 for Defence Services Staff College. See, Annual Report 2006-07, Ministry of
External affairs, op. cit., p. 205.

216 For detail see, Thailand-India Bilateral Relations, Thai Embassy, Political Section, New Delhi.

217 The 1st coordinated sea patrol was conducted by the Royal Thai Navy and the Indian Navy in
September 2005. The Indian naval ships-INS Vela and INS LUC L-34 visited Phuket, in April
2005. Thai Army participated in a defence exercise called Maitree, held at an army base in
Jharkhand. See, Annual Report 2005-06, Ministry of External Affairs, op. cit., p. 27 and
Indian Army, Royal Thai Army To Co-operate Against Combating Islamic Terrorism,
Hindustan Times, 19 August 2007.

218 Joint Working Group meeting was held in October 2005 and another meeting was held in
Bangkok in August 2006. Indian and Thai army held a combined counter terrorism exercise at
Affairs, op. cit., p. 28.

219 It also offered 4 seats under Indo-Thailand Cultural Exchange Programme to Thai officials for
studying training and research in various fields. ICCR also offers 5 scholarships to Thai
students for undergraduate and post graduate courses in traditional system of medicine such as
Ayurveda System of Medicine and Homeopathy. Scholarships were offered to Thai students
under the Mekong Ganga Cooperation. See India-Thailand Relation-Educational


221 Silapakorn University, Burapha University, Srinakharinwirot University and
Mahachulalongkorn Raj Vidyalaya conduct Hindi classes. Ramkhamhaeng University in
Bangkok and Chiang Mai University has introduced Hindi as an elective subject. Sanskrit
studies centre in the Silapakorn University teaches Sanskrit at graduate and post-graduate
level. The ICCR sponsors an Associate Professor at the Silapakorn to teach Sanskrit.
Chulalonkorn University has an Institute of Asian Studies where Indian culture and Sanskrit

222 This programme was signed by India and Thailand in 2005. The EEP covers exchange of conferences, exhibitions, seminars, joint research programmes, publications, training programmes, exchange of academics and scholars. It provides for mutual assistance in information technology, mathematics and sciences. See, Press release of the Ministry of External Affairs on the visit of Prime Minister of Thailand Dr. Thaksin Shinawatra, New Delhi, June 4, 2005, cited in, Bhushin, Avtar Singh (ed.): India’s Foreign Relations 2005, op. cit., p. 968.

223 The TBCL runs two schools in northern Thailand for Thai students. It provides awards to meritorious students and gives scholarships to needy students to study in India and in Thai Universities. The TBCL also runs the Satyananda Puri Memorial Library --a reference library on Indian Culture. An Indo-Thai Buddhist institution was established at Varanasi. See, Sahai, op. cit., p. 144.

224 This cultural agreement provided for the setting up of a Joint Committee consisting of representatives of two governments, which supposed to meet at least once in two years for periodic review of the working of the agreement. The agreement envisaged cooperation in the fields of art, culture, education including science and technology, sports, public health and mass media. See, Indo-Thai Cultural Agreement April 29, 1977, in Naik, J.A (ed.): India in Asia and Africa: Documents: 1976-1978, op. cit., pp. 233-34.

225 India set up an ‘India Garden’ at the Royal Flora Ratchaphruek 2006 exposition held from 1 November 2006 to 31 January 2007 to commemorate the 60th anniversary of King’s accession to the Throne. A dance drama ‘Bali Yatra’, was performed at the Thailand Cultural Centre, Bangkok, on 21 May 2006. The Kalashetra gave a performance of the Ramayana on 1 October, 2006 as a part of the Bangkok International Dance and Music Festival. See, Annual Report 2006-07, Ministry of External Affairs, op. cit., p. 28.

226 In this regard India can play a catalytic role an Indian firm such as Cipla, and can market its medicine there. See, Harris, G: AIDS Gaffes Abroad Come Back to Haunt Drug Firms at Home, The Asian Wall Street Journal, 24 April, 2001, pp. 1-7.


229 India has influenced Burma since ancient times. Hinduism and Buddhism came to Burma from India in the seventh century. Pali, was the source of many Burmese words. Trade relations between the two countries were also established from ancient times and Indian traders established permanent settlements along the coast of Burma. Politically too, the connection between India and Burma began well before the British. Burmese king Bayinnaung (1850-1881) attacked and subdued the present day Manipur. India helped Burma Government in drafting its constitution. See, Aung, Thin Thin and Mint, Soe: India-Burma
Even the Indian National Congress supported Burmese desire to separate from India and passed a resolution on 27-28 March 1931 recognizing the right of the people of Burma to claim separation from India and to establish an independent Burma State or to remain an autonomous partner in free India with a right of separation at any time they may desire to exercise it. See, Aung, Thin Thin and Mint, Soe, *op. cit.*, 479; also see, Muni, S. D. and Pant, Girjesh: *India’s Search for Energy Security: Prospects for Cooperation with Extended Neighbourhood*, Rupa & Company, New Delhi, 2005, p. 108.


After independence the government of Burma took a number of measures to strengthen the economic interests of Burmese against the foreigners. These measures generally hit Indians, as Indians constituted the biggest section in the foreign population. Among the several acts passed by the Burmese Government in 1948, the Land Alienation Act forbade the sale of land to non-Burmese nationals. The Burma Land Nationalization Bill, passed on 11 October 1949, aroused deep resentment among Indians in both Burma and India. See, Aung and Mint, *op. cit.*, p. 481.

Treaty was concluded on 7 July, 1951. It emphasized the desire of both governments to strengthen and develop their relations. The treaty also provided for frequent and informal consultations between the two sides on matters of mutual interest. See, Chowdhary, L K.: *Indo-Myanmar Relations: Retrospect and Prospect*, India Quarterly, Vol. LXI, No 4, Oct-Dec 2005, p 146.


After General Ne Win's military coup and seizure of power in March 1962, many leaders of Myanmar fled the country, U Nu, went into exile in India. The Indian government put him up in a stately residence in Bhopal, where he remained for over a decade before returning to Myanmar under a general amnesty in 1980. See, The Hindu, 16 Jan 1970; also see, Lintner, Bertil: *India Stands by Myanmar Status Quo*, Asia Times Online, 14 November, 2007.
In the early part of 1964, Ne Win government nationalized shops and stores, hitting small traders. The previous nationalization measures initiated by the U Nu government affected mostly the Indian Chettyars, landlords, and the big financiers. According to the spokesman of the Burma Displaced Persons Association, over 12,000 Indian concerns with assets worth Rs.15 crores were affected. Many Indians were deprived of their means of livelihood. No compensation was paid to them at the time of nationalization. Between 1963 and the end of 1966 nearly 1,55,000 people returned from Burma and this number later on went up to 2,00,000. See, Asian Recorder, 26 February-4 March 1967, p. 7571; also see, The Patriot 16 December 1972; for a comprehensive history of Indians in Burma, see Chakravati, N. R: The Indian Minority in Burma: The Rise and Decline of an Immigrant Community, OUP, London, 1971.

The new regime adopted Burmese Way of Socialism. The official economic policy of the military government laid emphasis on objectives such as: the elimination of foreign control over the economy; a reduction in the dependence on foreign markets; balanced industrial development; and the centralization of economic powers in the hands of state. These policies were implemented right way: banks shops, the import export, the rice and tobacco industries, travel agencies all were nationalized. These commercial activities were largely undertaken by the Indians. See, Khosla, I.P: India and Myanmar, in Sinha, and Mahota, op. cit., p. 600; Sawhney, R. G: Burma, in Bajpai, U. S: India and Its Neighbourhood, Lancer International, New Delhi, 1986, pp. 339-358.

The two countries had signed the border agreement on 10 March 1967 in to stabilize peace in the sensitive region and eliminate unnecessary frictions and suspension. The agreement had made it possible for the two countries to cooperate in checking the subversive activities of some of the hostile element operating on either side of the border with foreign encouragement. See, Asian Recorder, 8-14 April, 1968, Vol. LIV, No.15, p. 8256

During these visits, Burmese government assured that Burmese soil would not be allowed for anti-India activities. See, Choudhary, Indo-Myanmar Relations, op. cit., p. 150.

This agreement was implemented in April 1995 with the opening of a cross border point between Moreh (Manipur, India) and Tamu (Sagaing Division, Myanmar). As both sides agreed to open four check posts at Pangsau Pass, Paletwa, Lungwa-Yanyong, and Pangsha-Pangnyo. See, Choudhury, North-East India and the Look East Policy, op. cit., p. 140.


These MoUs include; setting up Entrepreneurship Development Centre at Yangon; Letter of Understanding between Myanma Posts and Telecommunication and Telecommunications Consultant India Ltd.; Exim Bank's line of credit of US$ 56 Million to Myanmar for the Yangon-Mandalay Trunk Line Railway Project; Cooperation in the field of Railways; a joint project on installation of tidal gauges in coastal Myanmar. See, Annual Report 2004-05, Ministry of External Affairs, op. cit., p. 13


Under this agreement both the countries intended to collaborate in area such as agricultural mechanization, agricultural statistics, geographic information system (GIS), fertilizer and pesticides use, agricultural joint ventures, agro based industries in sugar, jute, cotton, tea-processing industries, exchange of information on germplasm, rain fed farming, watershed development and water resources development including irrigation. See, Nanda, op. cit., p. 291.


A three member delegation from Myanmar led by U.Thaung, Minister of Science and Technology, visited India in June 1999. The delegation visited scientific institutions like Science City in Calcutta, Indian Metrological Department (IMD), National Science Museum,

263 An India-Myanmar friendship Scientific and Technical Library was set up in Yangon. Equipments were also gifted to the University of Yangon to upgrade its Physics, Biotechnology and IT Laboratories. See, Annual Report, 2005-06, Ministry of External Affairs, op. cit., p. 7.


265 At the first meeting of Indo-Myanmar Consultation Group, the delegation exchanged views on the security situation in their immediate neighbourhood. They agreed to strengthen bilateral cooperation in the field of non-traditional security issues including counter-terrorism through exchange of information and intelligence, capacity building, mutual legal cooperation and joint efforts to curb illegal traffic in drugs. See Press Release of the Ministry of External Affairs on the first meeting of India-Myanmar Consultative Group on Non-Traditional Security Issues, 11 February, 2005, New Delhi, cited in, Bhashin, Avtar Singh (ed), India’s Foreign Relations: Documents -2005, op. cit., p. 938.


267 In 2006, India has trained 36 Myanmar’s defence officers which include 26 for army, 4 for navy, 4 for air force, 1 for DSSC and 1 for NDC. See, Annual Report 2006-07, Ministry of External Affairs, op. cit., p. 205.

268 As Myanmar purchased a Squadron of MIG 28 from Russia, India has agreed to share its expertise in operating Russian equipment Myanmar may seek assistance from India to build an air force for the country. See, “Myanmar’s Foreign Policy Towards China and India”, in Jurgen, Hackle: Myanmar’s Foreign Policy: Domestic Influence and International Implication, Adelphi Paper No.381, IISS, 30 June, 2006, p-36-37.


270 An education exchange programme between the Ministry of Education, Myanmar and Ministry of Human Resource Development, Government of India was signed in 2004. As regards HRD cooperation, about 200 candidates from Myanmar are expected to undergo
These areas include teaching of English language, information technology, computer applications, agriculture, remote sensing, industry, urban development, diplomacy, mass communication etc. See, Indian Embassy in Myanmar. Accessed at, http://www.indiaembassy.net.mm/human_resource/human_resource.asp.

India also presented books, laboratory equipments, teaching aids etc. to Myanmar institutions, and offered a few customized courses for defence personnel of Myanmar. Several experts in selected fields were deputed to the University of Yangon to supervise Ph. D programme under the MoU on exchange of experts. See, Ibid.

Under this culture exchange programme, out of 23 articles, 18 were dedicated to the field of art and culture, 3 to mass media and 2 to youth affairs and sports. Performances by Indian cultural troupes in Myanmar have been organized on regular basis since 1997. An exhibition of contemporary art was organized at National Museum, Yangon, in November 2005 by Lalit Kala Akedmi (New Delhi). See, Annual Report, 2004-05. Ministry of External Affairs, op. cit., p. 12.