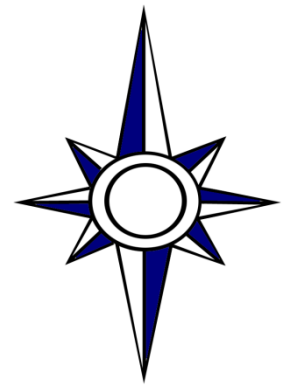


# Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



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## India-East Asia/US Relations:

### A Year of Notable Visits and Anniversaries

India's relations with the United States and East Asia during 2012 revolved around notable visits and anniversaries rather than any major policy developments. India's chief guest at its Republic Day in January was Thailand Prime Minister Yingluck Shinawatra, making her the third consecutive leader from East Asia to be honored by India in this way (preceded in 2010 by South Korea's President Lee Myung-bak and in 2011 by Indonesia's President Susilo Bambang Yudhoyono). In March, Prime Minister Singh made the first state visit by an Indian prime minister to South Korea since former Prime Minister P.V. Narasimha Rao, initiator of India's "Look East" policy, visited there in 1993. In May, Singh became the first Indian prime minister in a quarter century to visit next-door neighbor Myanmar – following up President Thein Sein's visit the previous October. (Aung San Suu Kyi, chair of Myanmar's opposition National League of Democracy party, visited India in December for the first time in 40 years.) Australia's Prime Minister Julia Gillard made her first visit to India as prime minister in October. In late December, nearly every head of government of ASEAN member countries traveled to New Delhi for the India-ASEAN Commemorative Summit.

The "big anniversary" of the year was India's relationship with ASEAN – the 20<sup>th</sup> anniversary of India's dialogue partnership with ASEAN and the 10<sup>th</sup> anniversary of the India-ASEAN summit-level partnership. Also, India and Thailand marked 65 years of diplomatic relations and India and Vietnam marked 40 years of such relations and the 5<sup>th</sup> anniversary of a "strategic partnership." 2012 is also the 50<sup>th</sup> anniversary of India's defeat in the 1962 Sino-Indian Border War.

These visits and anniversaries should not be dismissed as symbolism without substance. India has achieved a modicum of satisfaction in its relations with the US and East Asia – encompassing greater diplomatic interchange, steadily rising though far from optimum economic ties, a role in security and military considerations, and inclusion in some if not all key regional multilateral efforts (exceptions being particularly glaring in the economic realm such as APEC and TPP membership). But measured against just two decades ago when India was seen as a potential security threat, economically irrelevant, diplomatically isolated, and reeling from internal crises, India's current engagement with the US and East Asia should be viewed as an upward if unfulfilled progression. Indeed, many in the US and East Asia are frustrated because they want more, not less Indian engagement.

### United States-India: "less need for dramatic breakthroughs?"

Unlike India-East Asia relations, there were no head of government visits or major anniversaries, in US-India relations in 2012. The highlight was the third US-India Strategic Dialogue, held in

Washington in June. Secretary of State Hillary Clinton, after declaring that “strategic fundamentals” are driving the two countries into “closer convergence,” asked “What does this mean for our strategic partnership?” She answered herself: “Well, today there is less need for dramatic breakthroughs that marked earlier phases in our relationship, but more need for steady, focused cooperation aimed at working through our differences and advancing the interests and values we share. This kind of daily, weekly, monthly collaboration may not always be glamorous, but it is strategically significant. And that is, after all, what this dialogue is all about.” Bilateral dialogue now is handled through a thick set of mechanisms including the Defense Policy Group, the Homeland Security Dialogue, the Counterterrorism Joint Working Group, cyber consultations, political-military talks, dialogues on various regions, and the Strategic Dialogue itself.

During her trip to Kolkata and New Delhi in May, Clinton identified “four key lines of action” for bilateral relations: expanding trade and investment, deepening security cooperation, cooperating in South and Central Asia (where she welcomed India’s robust activities in Afghanistan, including the signing of an India-Afghanistan Strategic Partnership Agreement, and India’s reduced oil purchases from Iran), and working together to promote a shared vision for the Asia-Pacific, especially in the run-up to the November 2012 East Asia Summit in Cambodia.

Before the third Strategic Dialogue in June, several issues were identified, including India’s complaints about the “protectionist” environment in the US and restrictions on Indian workers. The US expressed concern about Indian economic reforms, ongoing trade disputes, relations with Iran, and moving civil nuclear cooperation forward. External Affairs Minister S.M. Krishna, told a joint press gathering during Secretary Clinton’s May visit that “I did convey our concerns about continuing difficulties on mobility of professionals, especially for our IT companies, and protectionist sentiments in the US with regard to global supply chain in services industry.” The US has noted that H1-B visa caps are set by the US Congress, and that India was the recipient of 65 percent of worldwide H1-B visas and about 35 percent of L-1 (intra-company transfers) visas.

Meanwhile, the US continued to call for further Indian economic reforms, especially opening of multi-brand retail – with some success late in the year. Deputy Secretary of State William Burns, during an October trip to India, said “In particular, I stressed the importance of measures taken to open up multi-brand retail, which can strengthen the Indian economy in a number of different ways and bring benefits for Indian citizens; for farmers who will have higher revenues and less losses post-harvest; for consumers who will have wider choices at lower prices; and for India’s infrastructure which would benefit from a strengthened supply chain.” There was no progress at all on a totalization agreement that would exempt Indian workers from paying into the US social security system. Negotiations on the Bilateral Investment Treaty (BIT) are proceeding and Assistant Secretary of State for South and Central Asian Affairs Robert Blake noted that “a model Bilateral Investment Treaty was approved earlier this year, so that then gave us the opportunity to again re-launch negotiations on the [BIT] with India...” There is almost no near-term prospect of a US-India free trade agreement.

An important step was taken on Iran when on June 11, (just before the Strategic Dialogue commenced) Secretary Clinton announced that India, along with several other countries had, “significantly reduced their volume of crude oil purchases from Iran.” Thus, US sanctions would

not apply to their financial institutions for a renewable period of 180 days. Earlier in the year, India's finance minister asserted that India would not decrease imports from Iran and India was criticized for sending a large business delegation to Teheran. Nevertheless, the Iran issue rankled throughout the year with Indian officials emphasizing that energy purchases were already declining before the threat of sanctions and besides, Iran is a "near neighbor" and India's only source of surface access to Central Asia and Afghanistan.

Possible trilateral discussions among the US, India, and Afghanistan were also raised – though details were unclear. Assistant Secretary Blake stated "As I say, we're just beginning to think about this and talk to both India and Afghanistan about how we're going to structure this dialogue. So we haven't made a decision yet about things like the level." The US continued to welcome Indian assistance to Afghanistan including training for Afghan national security forces and police.

On civil nuclear cooperation, the US "ask" remains for the Indian Parliament to pass laws that would cap liability and compensation payments by nuclear plant operators should there be an accident. India meanwhile is unhappy with the pace of relaxation of export restrictions on controlled equipment. A piece of positive news was an agreement between Westinghouse and the Nuclear Power Corporation of India for the construction of new power plants in Gujarat. But even here there was qualification and caution with Secretary Clinton saying "I look forward to additional deals involving other leading American companies, including General Electric. And we will work together to ensure these projects are implemented to produce real benefits for citizens and businesses alike." External Affairs Minister Krishna responded "I think this should put at rest some of the interpretations and some of the confusion that was prevailing in the immediate aftermath after we signed the nuclear accord. But I'm glad that things are now – nuclear commerce is now beginning to expand itself and we hope more Indian and American companies will be involved in the course of the coming months." In a post-dialogue briefing Assistant Secretary Blake denied that the Westinghouse deal meant that differences over the liability law were resolved. Responding to a question, he said "No, it doesn't mean that the issues with respect to liability law are resolved. But I think both of our countries wanted to show that we still share a strong interest in seeing these commercial contracts come to fruition. We do have, still, some concerns about the liability law."

US-India defense relations continued to improve. Secretary of Defense Leon Panetta visited India in June. Defense Minister A.K. Antony "emphasized that the priority for India is to move beyond the buyer-seller transactions and to focus on transfer of technologies and partnerships to build indigenous capabilities." He was reportedly assured that the US government would initiate measures to facilitate technology access and sharing.

### **India-East Asia relations**

India-East Asia relations during 2012 were focused on ASEAN, including several bilateral visits (discussed below), Prime Minister Manmohan Singh's presence at the East Asia Summit in Phnom Penh, and a gathering of ASEAN leaders in New Delhi for an India-ASEAN Commemorative Summit in late December. "Connectivity" through building transport infrastructure, particularly for the Mekong-India economic corridor, was emphasized. Symbolic

events to highlight land and sea connectivity between India and Southeast Asia included the ASEAN-India Car Rally and the Sailing Expedition of the *INS Sudarshini* to all 10 ASEAN countries to trace traditional trade routes. In late December, completion of negotiations on an India-ASEAN Free Trade Agreement in Services and Investment was announced, but implementation lies ahead.

### *India-China*

Indian and Chinese leaders met throughout 2012 on the sidelines of multilateral meetings; in late March in Delhi when Chinese President Hu Jintao attended the 4<sup>th</sup> BRICS Summit and in November in Phnom Penh on the sidelines of the East Asia Summit (EAS). Prime Minister Singh and Prime Minister Wen Jiabao also met on the sidelines of the Rio + 20 Summit in Rio de Janeiro in June. Indian External Affairs Minister Krishna visited Beijing in February, launching the “Year of India-China Friendship and Cooperation.” China’s Foreign Minister Yang Jiechi visited New Delhi from Feb. 29 to March 1 and the two countries agreed to promote provincial and local-level cooperation, beginning with Mumbai-Shanghai and Bangalore-Kunming relationships, and to establish a Dialogue Mechanism on Maritime Cooperation.

2012 marked the 50<sup>th</sup> anniversary of the Sino-Indian Border War of 1962. There was no progress on the dispute though ongoing mechanisms such as the Special Representatives (SR) talks (the 15<sup>th</sup> round was duly held in January) and the first and second meetings of the newly established Working Mechanism for Consultation and Coordination on India-China Border Affairs, agreed to last year, were held from March 5-6 and Nov. 29-30. At the first Working Mechanism Meeting, the two sides “discussed the possibility of an alternate route for the Kailash Manasarovar Yatra and additional items for border trade at Nathu La Pass in Sikkim.” At the November meeting, both sides “welcomed the recent liberalization of border trade across Nathu La, which has led to a significant increase in the volume of trade.” Despite Indian press reports about Chinese alleged violations across the border, the Indian government played down such reports. For example, in late February, just prior to Foreign Minister Yang’s visit, External Affairs Minister Krishna termed it the “most tranquil border.”

On economic relations, the second meeting of the India-China Strategic Economic Dialogue was held on Nov. 26 in New Delhi. The two sides agreed to cooperation at the global level, strengthening communication on macroeconomic policies, deepening and expanding trade and investment, and expanding cooperation in the financial and infrastructure sectors. Five working groups (policy coordination, infrastructure, energy, environmental protection, and high-technology) were established. Sino-Indian trade ties continue to grow – reaching nearly \$100 billion – though there are mutual complaints. India’s foreign minister “highlighted the need for initiating measures to balance our trade relations” and singled out pharmaceuticals with “the hope that market access will be provided for them to grow in China.” He also appealed for “investment from China in the infrastructure sector.”

Regarding defense and military relations, Defense Minister Liang Guanglie visited India in September for talks with counterpart A.K. Antony. They agreed to hold the next round of joint military exercises “soonest,” pledged to continue exchanges and visits such as the naval goodwill visits by India earlier in the year, and pursue antipiracy cooperation off the coast of Somalia.

There were dust-ups during the year, including “warnings” by China to India and Vietnam about energy exploration in disputed areas of the South China Sea and a November protest by India (and by Vietnam and the Philippines) regarding new maps placed in Chinese passports. India decided to issue visas with its own maps as a response.

On the whole, however, both side emphasized the positive. In a Nov. 27 press conference, Indian External Affairs Minister Salman Kurshid, in reply to a question about China’s military modernization, said “Let us not worry about China because China is a neighbor. So, worrying about China’s reach is not a matter of concern. We are friendly neighbours, we are working together, we have a lot of complementarities, we have a lot of competition, we have a lot of opportunities for cooperation, we have some priorities that tend to vary. But I think we have good communication channels, and we would like to build on the positives rather than to think of any negatives.”

### *India-Japan*

India-Japan relations matured during the year. In April, Japanese Foreign Minister Gamba Koichiro attended the sixth India-Japan Strategic Dialogue and the first India-Japan Ministerial-level Economic Dialogue in Delhi. Economic relations remain well below potential, and the dialogue focused on mutual complaints about infrastructure improvements funded by Japan in India and the reduction of nontariff barriers for Indian exports in Japan. Despite Tokyo’s commitment of huge financial resources to support the Delhi-Mumbai Industrial Corridor (DMIC) project, actual progress has been unsatisfying. The Chennai-Bangaluru Corridor and the Dedicated Freight Corridor also remain works in progress. India meanwhile is pressing Japan to allow greater access to generic drugs produced in India. The positive news is that since the Comprehensive Economic Partnership Agreement (CEPA) came into effect in 2011, two-way merchandise trade has increased by nearly 40 percent to about \$23 billion. Still, problems cropped up during the year, such as a protest at a Suzuki Motor subsidiary company in July that left two Japanese nationals among the injured.

Another important event on the diplomatic and politico-security side was the second India-Japan 2+2 Dialogue held in Tokyo in October. The dialogue is “mandated by the Action Plan to Advance Security Cooperation” signed in December 2009. This year, they agreed to launch new dialogues on cybersecurity and maritime security. On the issue of India-Japan cooperation on rare earths, which had been broached in 2011 during the signing of the CEPA agreement, there was no announcement of next steps, although India’s external affairs minister, in an April media statement said that “[a]fter today’s discussions, I am convinced that we are close to take-off stage in this important area of our bilateral cooperation.” Progress on an agreement to engage in civil nuclear cooperation continues to elude India and Japan. During Foreign Minister Gamba’s April visit, India’s external affairs minister said only that the matter was discussed and “[w]e have instructed our negotiators on the way forward.”

Bilateral defense and military ties were enhanced by the first-ever exercise between the Indian Navy and the Japanese Maritime Self-Defense Force (MSDF) in June off the coast of Japan. There appears to be some prospect for very modest sales of Japanese military equipment to India

under Tokyo's relaxed arms exports policies. Press reports suggested that Shinmaywa Industries has opened a marketing office in Delhi for its seaplane, which is suitable for search and rescue missions in some of India's islands in the Bay of Bengal. Gen. Kataoka Haruhiko, chief of staff, Japan Air Self-Defense Force visited India in late November and an Indian government statement characterized the visit as significant in the light of improving military cooperation between the two countries.

At the end of the year India's prime minister postponed a planned three-day visit to Japan because of the Japanese government's decision to dissolve Parliament and hold elections.

### *India-South Korea*

India-Republic of Korea relations in 2012 featured Prime Minister Singh's March 24-27 trip for a bilateral visit and to attend the second Nuclear Security Summit. This was only the second bilateral visit by an Indian prime minister since 1993. However, President Lee Myung-bak was India's chief guest on Republic Day in 2010 and the president of India visited Seoul in 2011. Bilateral ties are being institutionalized since the establishment of a strategic partnership during Lee's visit. A joint commission is chaired by the two countries' foreign ministers, and a foreign policy and security dialogue is handled below the ministerial level.

The Comprehensive Economic Partnership Agreement (CEPA) between India and ROK came into effect in January 2010. Trade reached just over \$20 billion in 2012 and targets of \$30 billion for 2014 and \$40 billion by 2015 have been established. India continues to seek greater Korean investment in the infrastructure sector. Already some 300 companies are operating in India, though foreign direct investment is quite small, valued at only \$2.3 billion. To facilitate economic ties, which an Indian official characterized as the "anchor" of bilateral relations, an agreement on simplification of visas was signed during PM Singh's visit. The agreement is meant to pave the way for long-term multiple entry visas for Koreans travelling to India.

An agreement on civil nuclear cooperation is reportedly progressing steadily, although no concrete details about cooperation have been provided. The Republic of Korea is active in India's defense equipment market and ROK Defense Minister Kim Kwan-jin visited India in late November. New initiatives include sending junior Indian diplomats to the ROK and inviting South Korea to use Indian launch vehicles for launching the country's satellites.

### **India and Southeast Asia/ASEAN relations**

2012 was a milestone year for India-Southeast Asia/ASEAN relations because it marks the 20<sup>th</sup> anniversary of dialogue partner status and the 10<sup>th</sup> anniversary of the summit-level dialogue. In remarks at the India-ASEAN Summit held in Phnom Penh, Cambodia in mid-November, Prime Minister Singh "reaffirm[ed] that India attaches the highest strategic priority to its relations with ASEAN." He especially singled out the fact that two-way trade stands at about \$80 billion – surpassing the earlier target of \$70 billion. He did not note, however, as the India-ASEAN Eminent Persons Group report did, that this increasing figure represents only about 3 percent of total ASEAN trade. Prime Minister Singh also welcomed the fact that, for the first time, delegates of the ASEAN Inter-Parliamentary Assembly exchanged visits with an Indian

Parliamentary delegation. In December, at the Indian-ASEAN Commemorative Summit in Delhi, it was announced that the two sides had concluded discussions on a free trade agreement on services and investment. A press report quoted Indonesian Trade Minister Gita Wirjawan as saying “It will be a game-changer for the nature of economic relations between the two zones.” It is not clear when the agreement will be implemented.

### *India-Vietnam*

In early January, India dispatched Minister of State for External Affairs Krishna to mark the 40<sup>th</sup> anniversary of official bilateral relations, the fifth anniversary of the establishment of a “Strategic Partnership” and the “Year of Friendship between India and Vietnam.” Trade has grown from \$200 million in 2000 to \$3.5 billion. A target of \$7 billion for bilateral trade by 2015 has been set and a newly launched India-Vietnam Business Forum is tasked with creating greater trade and investment opportunities. Defense and security ties were described as “consolidated.” Nevertheless, India’s minister of state admitted that the level of trade-economic and cultural cooperation is still below potential.

In 2011, India-Vietnam cooperation on oil exploration was criticized by China. Prime Minister Singh publicly stated that such cooperation was only commercial. Subsequently, India did end some of its activities and there have been conflicting assessments as to the reasons why. It appears that the decision to end exploration had little to do with Beijing’s protests and more with the commercial viability of the results of the exploration.

In this context, it is worth noting that India is not a party to the disputes in the South China Sea and Southeast Asian waters likely constitute a secondary rather than primary strategic interest. However, a number of factors are driving India toward greater and more sustained interests in the region. India’s cooperative efforts on maritime issues encompass a hodge-podge of ASEAN-led multilateral efforts, Indian-led and organized efforts such as Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) and Indian Ocean Naval Symposium (IONS), Asian Coast Guard Agencies Meeting, Milan Exercises, and enhanced bilateral navy and coast guard relationships with regional forces. India is also enhancing its own naval and coast guard capacities to make it a more capable and relevant partner. Capacity limitations and priority calibrations are likely to continue to constrain India from viewing and acting in a way that makes Southeast Asia and its waters more than a secondary interest.

### *India-Singapore*

In March, External Affairs Minister Krishna traveled to Singapore for a bilateral visit and to preside over a regional conference of heads of Indian missions in ASEAN countries. The venue of Singapore is symbolically important because of that city-state’s strong support to India’s engagement into ASEAN.

Singapore’s Foreign Minister K. Shanmugam visited India in early May for the second meeting of the India-Singapore Joint Ministerial Committee for Bilateral Cooperation. A key effort is the conclusion of the second review of the Comprehensive Economic Cooperation Agreement (CECA) that was signed in 2005. Overall, economic ties are moving ahead with two-way trade

worth about \$35 billion, making Singapore India's largest ASEAN trading partner. Singapore is the second most important source of foreign direct investment into India (after Mauritius), while India stands eighth among investors in Singapore. One unusual effort that Singapore's foreign minister announced was his plans to visit Assam and Gujarat states in India; an effort he characterized as "part of our own Look East Policy to complement your Look East Policy."

India-Singapore defense and security ties are constructive. In November, Defense Minister Ng Eng Hen visited India to meet Defense Minister Antony who "reiterated India's commitment to remain constructively engaged in activities under the ADMM Plus framework."

### *India-Indonesia*

Two important visits marked India-Indonesia relations during 2012. In July, Foreign Minister Marty Natalegawa visited India for the fourth meeting of the India-Indonesia Joint Commission. No new initiatives were announced but Natalegawa reported that "we resolved just now to have a regular and more systematic way of measuring progress in our two countries' relations, some kind of a scorecard where we can regularly in a very clear way identify progress and even not least identify where challenges remain so we can address those challenges and allow our relations to fully blossom and develop."

In October, Defense Minister Antony traveled to Indonesia for the first ministerial-level biennial dialogue (agreed to during President Yudhyono's state visit in 2011) with counterpart Purnomo Yusgiantoro. The dialogue builds on the Agreement on Defense Cooperation signed in 2001. Current activities include coordinated patrol (CORPAT) along the International Maritime Boundary Line (IMBL). Antony said "we can examine the possibility of enhancing the engagement through conduct of joint naval exercises." He also offered to establish a formal maritime domain information sharing arrangement between the two navies. A first-ever joint exercise on counterterrorism and jungle warfare was held in India earlier in the year and it was agreed to expand army exercises. According to a statement released by the government of India, "[o]n the Air Force side, Shri Antony said a high level Indian Air Force team would send a team to finalise details of training and spares support package, once the Indonesian Air Force firms up its requirements."

### *India-Myanmar*

The highlight of India-Myanmar relations was the May 27-29 visit of Prime Minister Singh to Myanmar. This was the first visit by an Indian prime minister in 25 years. President Thein Sein made a reciprocal visit in late December in conjunction with the India-ASEAN Commemorative Summit. During Singh's visit, 12 documents were signed between the two countries. Among the notable areas of planned cooperation are a Memorandum of Understanding (MoU) on border area development, establishment of a Myanmar Institute of Information Technology, establishment of joint trade and investment forum, a \$500 million credit line, and establishment of research projects on agriculture and rice specifically. Concrete steps taken over the year to consolidate and expand ties included the opening by India of a third consulate in Sittwe. The Export-Import Bank of India (EXIM) also announced plans to open an office in Burma.



The foreign ministers also exchanged visits during the year, including in December when India's new External Affairs Minister Salman Khurshid traveled to Yangon amidst reports that Swedish-made arms had been transferred to Myanmar in violation of European restrictions. Aside from Singh's visit, the other important bilateral exchange was the visit to India of Aung San Suu Kyi, chair of the opposition National League of Democracy in Myanmar, to deliver the Nehru Memorial Lecture, visit the campus of the Indian Institute of Science and Infosys in Bangalore, and to tour rural areas in Andhra Pradesh state to learn about rural development and women's empowerment programs. Her comments while in India received considerable attention, particularly her lament that "I was saddened to feel that we have drawn away from India, or rather India has drawn away from us during our very difficult days." Indian officials insisted that the changes in Myanmar are a "vindication of our policy of engagement..."

The major issues between the two countries included Myanmar's relations with insurgents fighting in the northeast of India, energy and economic relations including plans for road and rail connectivity, and India's role in human resource and capacity building. Regarding insurgents operating in India's northeast, India emphasized arrangements such as the home minister-level talks, army-to-army discussions and a Regional Border Committee mechanism to handle these matters. The core Indian interests of a peaceful border and no shelter for insurgent groups in Myanmar continued to be stressed. The Border Liaison Officers (BLOs) met for the first time in November to address local security and crime issues.

On energy cooperation, India's foreign secretary declared that India "will be emphasizing and flagging our interest in our companies getting more opportunities in Myanmar both onshore where there are some blocks which are going to be put out, as well as offshore which is more gas related." During Prime Minister Singh's visit in May the two countries announced a production sharing agreement between the Myanmar government and India's Jubilant Energy, encouraged investment by Indian companies in Myanmar oil and gas sector, and encouraged investment by Indian companies in downstream projects in the petroleum industry. India and Myanmar also agreed to "finalise the future course of action" on two hydropower projects for which India had completed studies.

On the defense side, India's Air Force Chief Air Marshall N.A.K. Browne made a four-day visit to Burma in November. This visit followed on earlier visits by India's Army and Navy service chiefs and there are news reports that Defense Minister Antony will visit Myanmar in January 2013. According to press reports, during External Affairs Minister Khurshid's mid-December visit, he proposed further defense cooperation, although official Indian sources carried little information on what such cooperation might encompass.

### *India-Thailand*

Prime Minister Yingluck Shinawatra visited India Jan. 24-26 as the country's chief guest on Republic Day. Her first visit to India also marked the 65<sup>th</sup> anniversary of the establishment of bilateral relations. Beyond symbolism, the joint statement issued in conjunction with the visit provided little evidence of substantive developments in ties. Both countries "expressed the desire to work together towards elevating the bilateral relations to a strategic partnership" but did not announce one. On the economic side, they expressed an interest in the conclusion of the India-

ASEAN free trade in services agreement, welcomed mutual investment in core areas ranging from infrastructure to “hospitality facilities in the Buddhist circuit,” and “looked forward to the establishment of a forum comprising senior representatives of business enterprises of both countries to promote expansion of bilateral business ties.” A second protocol to amend the framework agreement between the countries was signed and will permit third country invoicing for gear boxes made in India and two-door refrigerators would be added to the list of products traded under the Early Harvest Scheme launched under the bilateral FTA.” One other concrete measure possibly contributing to future economic ties was the announcement of the “setting up of a joint working group on infrastructure and connectivity to help expedite various development initiatives” for an “economic corridor linking India with Thailand and Southeast Asia and for “regional connectivity efforts such as the India-Myanmar-Thailand Trilateral Highway.”

In the security and defense areas, India and Thailand last held their Joint Working Group on Security Cooperation in May 2011 and agreed during Prime Minister Shinawatra’s visit to “finalize urgently” a five-year program of work on specific elements of cooperation. An inaugural and so far only defense dialogue held in December 2011 was invoked, but no new steps or even future meetings were announced. An MoU on Defense Cooperation was signed that would “streamline and facilitate the ongoing defense cooperation.” On bilateral diplomacy, it is not clear from the joint statement whether Bangkok formally supports a permanent UN Security Council seat for India. The statement’s rather cryptic formulation on the issue was: “The Thai side acknowledged India’s credentials for permanent membership of the UN Security Council, and commended India’s active role and continued constructive contributions in the field of global security.”

### **India-Australia relations**

The highlight of India-Australia relations was Prime Minister Julia Gillard’s first state visit to India from Oct. 15-17. This was also the first visit of an Australian prime minister since then Prime Minister Kevin Rudd visited India in 2009 and the two countries agreed to designate relations as a strategic partnership.

During Gillard’s visit, agreement was reached to hold annual summits, either bilaterally or during multilateral events, launch a ministerial-level dialogue on energy security, establish a water technology partnership, start negotiations for an agreement on transfer of sentenced persons and begin negotiations on an agreement on civil nuclear cooperation. This last decision follows Gillard leading her party’s convention to the decision to review a ban on uranium sales to India. On the economic front, it was noted in the joint press statement that trade has doubled to \$20 billion over the past six years, and Canberra and Delhi will continue negotiations toward a comprehensive economic cooperation agreement to give a further boost to bilateral trade and investment ties.

In remarks at a state banquet, Prime Minister Singh stated that while relations between the two countries are good, “their full potential is yet to be tapped.” He outlined a number of areas for further working including “more balance” in trade and investment flows and leveraging Australia’s expertise in skills training water modeling and environment.”

Unlike last couple of years, Indian concerns about the treatment of Indian foreign students in Australia were not high on the bilateral agenda. In his toast to Gillard at the state banquet, Singh noted that dialogue and steps had been taken to “redress a number of issues faced by the Indian student community in Australia.” The two countries signed an agreement on student mobility and welfare to maintain cooperation on this domestically sensitive issue in India.

### **Conclusion: United States, India and the Asia-Pacific**

2012 was not a dramatic year for US-India and India-East Asia relations. But, taking into consideration Secretary Clinton’s admonishment that what is needed is less dramatic breakthroughs and more steady, focused cooperation, it was not a hollow year. The US-India and India-East Asia trajectories were to some extent brought together in April when Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell traveled to New Delhi for a strategic dialogue with India about the Asia-Pacific region. He declared it his “favorite dialogue” among the many he engages in on the region, and claimed that India’s role in Asia extends to every dimension of national power, economic, strategic, people-to-people, cultural, military. So we think that this development would be one of the most important developments of Asia in the 21st century.”

Of particular importance for this article, Secretary Clinton, during a May trip to New Delhi, emphasized the role India could play in promoting democracy and creating connectivity for trade and transit between India and Southeast Asia. Unlike last year when, speaking in Chennai, Clinton appeared somewhat frustrated by India’s actions vis-à-vis East Asia (“we encourage India not just to look east, but to engage and act east as well”), this year she specifically noted India’s “growing role across the region.”

### **Chronology of India-US/East Asia Relations January – December 2012**

**Jan 5-7, 2012:** India’s External Affairs Minister (EAM) S.M. Krishna visits Vietnam.

**Jan. 22-26, 2012:** Myanmar’s Foreign Affairs Minister Wunna Muang Lwin, visits India for consultations.

**Jan. 24-26, 2012:** Thailand Prime Minister Yingluck Shinawatra visits India as the chief guest on Republic Day.

**Feb. 7-9, 2012:** EAM Krishna visits China.

**March 8-11, 2012:** EAM Krishna visits Singapore to address the regional conference of heads of Indian missions in ASEAN countries.

**March 24-27, 2012:** Prime Minister (PM) Manmohan Singh visits South Korea for a bilateral visit and to attend the Nuclear Security Summit.

**April 30, 2012:** Japan’s Foreign Minister Gamba Koichiro travels to India.

**May 6-8, 2012:** US Secretary of State Hillary Clinton visits Kolkata and New Delhi.

**May 8, 2012:** Singapore's Foreign Minister K. Shanmugam visits India.

**May 27-29, 2012:** PM Singh makes a state visit to Myanmar.

**June 5-6, 2012:** US Secretary of Defense Leon Panetta visits India for consultations.

**June 12-13, 2012:** EAM Krishna visits Washington DC.

**July 8, 2012:** EAM Krishna travels to Tokyo for the International Conference on Afghanistan.

**July 10-12, 2012:** Singapore's Prime Minister Lee Hsien Loong makes a state visit to India.

**July 11-12, 2012:** EAM Krishna travels to Phnom Penh to participate in the second East Asia Summit (EAS) Foreign Minister's Meeting, the 19<sup>th</sup> ASEAN Regional Forum (ARF) Ministerial Meeting, and 10<sup>th</sup> ASEAN-India Ministerial Meeting.

**July 27, 2012:** Indonesia's Foreign Minister Marty Natalegawa visits New Delhi for the fourth India-Indonesia Joint Commission Meeting.

**Sept. 28-Oct. 1, 2012:** EAM Krishna travels to New York for the 67<sup>th</sup> United Nations General Assembly (UNGA) meeting and a bilateral meeting with Secretary of State Clinton.

**Oct. 15-17, 2012:** Australia's Prime Minister Julian Gillard makes her first state visit to India.

**Nov. 6, 2012:** EAM Krishna travels to Laos for the 9<sup>th</sup> ASEAN-Europe Meeting (ASEM).

**Nov. 13-18, 2012:** Aung San Suu Kyi, chair of the opposition National League of Democracy in Myanmar, visits India to deliver the Nehru Memorial Lecture.

**Nov.18-20, 2012:** Prime Minister Singh travels to Phnom Penh to participate in multilateral meetings and specific bilateral meetings with Singapore, the Philippines, and China.

**Nov. 28-Dec. 1, 2012:** South Korean Defense Minister Kim Kwan-jin visits India and meets Defense Minister A.K. Antony.

**Dec. 14-16, 2012:** EAM Salman Khurshid visits Myanmar to inaugurate the co-sponsored International Conference on Buddhist Cultural Heritage and for bilateral consultations.

**Dec. 20-21, 2012:** India-ASEAN Commemorative Summit is held in New Delhi with leaders from each of the 10 ASEAN countries in attendance.

**Dec. 24, 2012:** Russian President Vladimir Putin visits India and meets Prime Minister Singh. Russia and India sign defense contracts valued at \$2.9 billion in conjunction with the visit.

## About The Contributors

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