

***National Seminar on ASEAN-India Maritime Transport Cooperation  
January 31, 2014, ASEAN-India Centre***

***Address by Secretary (East) at the Inaugural Session***

Chairman RIS, ASEAN-India Centre and National Security Advisory Board (NSAB) Amb. Shyam Saran.

ASEAN Heads of Missions.

Coordinator of the ASEAN-India Centre Dr. Prabir De,  
Ladies & Gentlemen

It gives me great pleasure to be with you today to discuss elements key to strengthening India's maritime connectivity with the ASEAN region. This is a vital element in the ASEAN-India connectivity agenda and would impact not just the volume of trade across our maritime routes but also support and strengthen land connectivity in the region. I commend the ASEAN India Centre for organizing this discussion and for putting together in this room some of the key stakeholders in India's maritime transport infrastructure.

2. Connectivity is going to remain one of the foremost priorities in the ASEAN-India strategic partnership in the months ahead and it is important that we discuss, analyse and put together the various components that would help us to strengthen India's maritime transport capacities.

3. This is not a new item on our agenda. It has been part of our civilizational consciousness in the region. Maritime connectivity, in particular, has played a significant role in creating regional corridors for intellectual, cultural, trade and economic linkages over the centuries. It is today central to the ASEAN-India partnership for progress and prosperity. Equally importantly, it is also of relevance to the maintenance of peace and security in the region.

4. The fact that connectivity related issues continue to be pivotal to the agenda of the ASEAN-India partnership was illustrated in the over 60 events in 2012-13 to mark the ASEAN-India Commemorative Year, including the ASEAN-India Car Rally which was participated in by all 10 ASEAN countries, the INS Sudarshini Expedition to 9 ASEAN countries and the marker events that highlighted the cultural similarities and the business complementarities in our region.

5. Two major developments are lending even greater urgency to our connectivity agenda. One is the ASEAN march towards an ASEAN Community by 2015, which will consolidate a market of more than 600 million people and a combined GDP of USD 2.3 trillion. The second development is the consolidation of economic and commercial engagement between India and ASEAN through the

FTA on Trade in Goods, which has been in place since 2009, and the FTA on Services and Investment which is expected to be signed in the coming months after ASEAN countries complete their internal processes for signature. This will integrate an economic space of 1.8 billion people and a GDP of over USD 3.7 trillion.

6. In the course of last year, India became the third partner country of the ASEAN, after China and Japan, to begin formal discussion on connectivity with the ASEAN Connectivity Coordinating Committee (ACCC). It is a reflection of the importance of this agenda both to ASEAN countries as also India that the ACCC, in an unprecedented manner, would be holding an informal inter-sessional meeting with India when it visits New Delhi in March 2014 for Delhi Dialogue VI.

7. We have also been participating in the ASEAN Maritime Transport Working Group Plus Meetings since 2012 and, following the 1<sup>st</sup> ACCC-India meeting in June 2013, we have requested Ministry of Shipping to establish a Joint Working Group on Maritime Connectivity to look into various aspects of promoting maritime connectivity. In particular, we need to find ways to assure trade volumes to sustain a shipping line connecting India, Myanmar, Thailand, Cambodia, Viet Nam.

8. The steady implementation of the India-Myanmar-Thailand Trilateral Highway has been very visible. But India is also meeting its commitment on developing the Sittwe Port in Myanmar, as part of the Kaladan Multimodal Transit Transport Project. In fact, I would urge that as we examine ways to strengthen maritime connectivity between ASEAN and India, we adopt an integrated multi-modal approach which explores the advantages, the linkages and the synergies between port infrastructure and the existing and upcoming road infrastructure in the region. This would also be relevant as the Government of India makes progress on creating a new entity to accelerate the building and up-gradation of strategic roads on our borders.

9. At the 11<sup>th</sup> ASEAN-India Summit in Brunei Darussalam in October 2013, our Prime Minister suggested that discussions begin on an ASEAN-India Transit Transport Agreement to be concluded by 2015 so as to create an enabling policy framework for effective use of connectivity linkages. The 11<sup>th</sup> ASEAN Economic Ministers Plus India Consultations in August last year agreed on the establishment of a Working Group on Soft Infrastructure. Both these would have a maritime dimension to address as part of their mandate.

10. Any assessment on strengthening maritime linkages between ASEAN and India must also take cognizance of the mega regional agreements and arrangements that are taking shape within the ASEAN countries. From the maritime connectivity point of view, the Comprehensive Asia Development Plan (CADP) Phase II Study by Economic Research Institute for ASEAN and East Asia (ERIA) in 2011, which was conducted with help from RIS, has established that the

share of merchandise trade in the overall trade basket with ASEAN is growing steadily. Looking ahead, such transshipment will need to happen through cargo ships and requires improvement in port and logistics infrastructure and direct shipping lines. These routes need to be identified, given economic feasibility and their policy related lacunae will need to be addressed. ASEAN have designated 47 ports in the trans-ASEAN transport network and many of these confront challenges of capacity and infrastructure. ASEAN countries, with financing through the mechanism of the ASEAN Infrastructure Fund and ADB, can be expected to focus on concentrating the comparative advantage of an intra-ASEAN network. It is for us to show that the advantage would grow exponentially if integrated with the Indian economic space.

11. ASEAN countries are seeking innovative solutions, for instance, to make the Dawei Sea Port development a feasible project. The Dawei SEZ Development Co. (DSEZ) has been created as a special purpose vehicle supported by Thailand and Myanmar for this purpose. We should look at ways of becoming part of this development at Dawei and this can be done by roping in the private sector and making them aware of this investment opportunity.

12. Japan is giving a clearly visible and concerted push to strengthening its maritime linkages not just in the ASEAN region, particularly Myanmar, but also with India. There are possibilities in all of this which merit examination for reinforcing the structure of Indian ports and shipping networks.

13. Another important dimension is to look at increasing the sustainability of maritime transportation through creating an economically vibrant catchment area, i.e. looking to integrate SEZs, availability of energy, ICT etc. on the one hand and, on the other, creating clusters of economic activity to strengthen, for instance, the regional food basket, local industry, capacity development and employment, and promote tourism and environmental management. In my view, the construct for maritime connectivity will sustain easier if it adopts an inclusive, symbiotic approach with these priority issues.

14. I, therefore, look forward to the discussions today to identify the way forward on ASEAN-India Maritime Transport Cooperation. This subject, as I mentioned before, is part of our discussions with the ASEAN Connectivity Coordinating Committee and the ASEAN Maritime Transport Working Group Plus agenda. There will be immediate term relevance to your recommendations and suggestions in our discussions with the ACCC on March 8, 2014 in New Delhi.

15. I wish you all success and hope that your discussions in each of the sessions would emphasize the specifics to help us build our approach.

16. Once again, I would like to commend the ASEAN-India Centre for putting together excellent sessions and panels for such discussion.

Thank you.