



Speech by Foreign secretary on India's Look East Policy at the 10th Meeting of the BCIM (Bangladesh, China, India, Myanmar) Cooperation Forum

February 18, 2012

Excellencies,
Ladies and Gentlemen,
Friends.

It is a great pleasure to be with all of you this evening at the 10th meeting of the BCIM Process. It is appropriate that we meet in Kolkata, one of India's most pre-eminent cities on our eastern seaboard from where rulers, merchants, sailors and adventurers looked East from ancient times. Tonight, I intend to speak about the new contours of India's Look East Policy and this can best be done here in East India, where our policy initiatives have a direct and special relevance and significance.

India did not need to have a look East policy. Even before our Independence Pandit Nehru travelled to the East and connected our fate with that of the people of SE Asia. But there was a hiatus in the 1970s and 1980s when preoccupations with security (in the widest sense) focussed our attention on our immediate periphery. We embarked on a 'Look-East' policy in 1992. This foreign policy initiative had a domestic dimension based in the economic restructuring and reform program that we had commenced in July 1991 wherein we placed emphasis on reducing licensing, giving greater play to private initiative and entrepreneurship and in general making it easier to do business in India. One aspect of this economic course correction was the relative emphasis given to trade and foreign investment. As a result, economic diplomacy became an integral part of foreign policy formulation and implementation.

India has long standing civilizational bonds with countries in East and South East Asia. In spiritual and cultural values, by name and language, through dance and art, there is a historical tradition of contact between India and the East. It is against this larger backdrop that we have located our Look East Policy or LEP. The essential philosophy of our LEP, which is now well established, is that India must find its destiny by linking itself more and more with its Asian partners and the rest of the world. We believe that India's future and our own best economic interests are served by greater integration with Asia. This may seem unusual to those generations in our countries who grew up when India and the countries of East Asia were linked to different metropolitan centres in the West and later walked down different paths during the Cold War; but to those entering the age of employment and travel in our countries just now, this will be a rediscovery of their common Asian heritage. It is my belief that this shift that is taking place and the kind of interaction that is emerging amongst Asian countries has deep historical and cultural roots and, therefore, can be a very powerful force for future peace and stability on our continent.

As I stated earlier, our interest in engaging with Asia has domestic roots. We are a vibrant democracy, quickly transforming ourselves with growth on an ascending trajectory. Despite some perturbations in our economic growth due to global factors, our economic development path is certain and full of potential and it is significant that we are in a part of the world still witnessing dynamic growth. Our policies relating to foreign trade, foreign direct investment, taxation, banking, finance and capital markets have evolved to make Indian industry more competitive globally. There is great confidence and optimism about the prospects for collaboration and constructive cooperation. What we seek as part of our LEP is to make our neighbors, partners in our development such that we can jointly seek and work on the opportunities that are coming our way due to the inexorable march of globalization.

It has been almost 20 years since India enunciated the Look East Policy (LEP). While this policy has yielded many benefits, including

closer strategic contact between India and Asian countries, an impressive increase in the quantum of bilateral trade and increased people-to-people interaction, the success of the policy also needs to be viewed from the perspective of how far we have been able to interlink our eastern and north eastern regions to the rest of Asia, since this part of India provides a natural bridge between us and East Asia. Speaking in Kolkata from where Kunming is the same distance as New Delhi and Dhaka is barely a few minutes of flying, with Yangon just a little further away, our vision for the LEP acquires new meaning, depth and dimension.

India's Look East Policy also aims at providing eastern India a platform for economic growth and social progress. It is critical that political leadership be exercised to leverage the opportunities that are presenting themselves in this part of the country which will assist in accelerating growth with equity. I believe that West Bengal can play an important lead role in this endeavor and provide a model for others to follow.

Essentially, we are looking at a new paradigm of development whereby our foreign policy initiatives blend seamlessly into our national economic development. Given that we have, over 20 years of pursuing our Look East Policy, put in place certain diplomatic and political structures, there is need now to make these structures work for our East and North Eastern Regions. Diplomatic initiatives need to be converted into commercial opportunities and investment flows. For this purpose, I reaffirm that MEA will work in close cooperation with the Ministry for the Development of the North Eastern Region, the Planning Commission, all economic Ministries and the State Governments of the region.

I would like to put forth before you the way India has sought to integrate within Asia in general. To begin with, we focused very much on SAARC and ASEAN. SAARC has been successful in moving from the declaratory to the implementation phase. Initiatives within SAARC are beginning to touch the lives of our peoples, a good example of which is the South Asian University or even special immigration counters for SAARC nationals at our airports. We in India have been providing access to the Indian market, to our partners in South Asia, even if this has to be done in an asymmetric manner.

With ASEAN, beginning from a sectoral partner, our association evolved into a Full Dialogue Partnership and finally to that of a Summit Partner. We have close relations with all countries in the region and our economic and cultural ties are getting stronger by the day as travel, tourism and business reinforce regional interaction. The FTA in Goods with ASEAN is already having its impact in expanding our commercial exchanges. These will be further enhanced once our FTA in Services is finalized. Another aspect has been the rapid growth in investment between India and South East Asian and East Asian countries. We will continue to improve the investment environment in India including through better infrastructure.

The biggest benefit of India's 'Look-East' Policy has been that India has re-engaged with its eastern neighbourhood closely and has gradually emerged as a significant player in the strategic dynamics of the region. Economically, India's trade with ASEAN has grown impressively from US\$ 2.3 billion in 1991-92 to US\$ 58 billion in 2010-11. Growth of trade between India and China has also been very rapid where all the set targets have been broken time and again. In 2011, India- China trade recorded a figure of US\$ 74 billion and we have set a new target of US \$ 100 billion by 2015. However, our rising trade deficit with China is indeed a worry. India's trade and investment ties with Japan, Australia and the Republic of Korea are also picking up fast with increasing momentum.

Our Strategic and Cooperative Partnership with China makes our engagement broad-based and multifaceted. Trade and investment are the great drivers of the new relationship. We are confident that the relationship will mature further and develop steadily. The leaders of both countries recognize that co-existence and cooperation is the best course of action, and sensitivity to mutual aspirations and concerns provides the underpinning for building confidence and trust. There is enough space and opportunity for both of us to grow and develop, and to bring benefit not only to us, but also for other partners in Asia.

With Bangladesh, the visit of PM Sheikh Hasina in 2010 crafted a new paradigm of our bilateral relations which was further consolidated by the landmark visit of PM Manmohan Singh to Bangladesh in 2011, after a gap of 12 years. Sizeable Indian investments have started to flow into Bangladesh and the pace is likely to pick up in the months and years ahead. Two-way trade has crossed five billion dollars in 2010-11, and Bangladesh exports to India have grown by 68 per cent in the last one year. We acknowledge that there is still a large trade imbalance favouring India, which we are determined to address by providing better market access into India for Bangladeshi goods. We are also thinking of other imaginative measures to achieve this objective.

Myanmar too is an integral part of our Look East Policy. Recent years have not only witnessed robust bilateral cooperation but also a number of high-level visits. Our relations with Myanmar encompass a number of important areas like security, trade and investment, energy, capacity-building, health and education, science and technology, as well as infrastructure development. Enhanced connectivity

between our two countries is of mutual interest. India and Myanmar in 2010-11 had a bilateral trade of 1.28 billion dollars which is much below the potential. We have established a target of three billion dollars by 2015. Indian pharmaceutical companies have a sizeable presence in Myanmar, providing quality pharmaceutical products at very competitive prices. Myanmar is also emerging as an important partner in India's quest for energy security.

It is our perspective that in a globalized world, it is mutually gainful opportunity and not geography that defines and drives the processes of integration. India offers such opportunity here and now. That is why I firmly believe that an Asian economic community, that is open, transparent and inclusive, and provides a platform to create ever widening economic opportunities, is better for Asia and for the world, than a narrower or restrictive definition of Asian economic integration. In fact, recent studies have revealed a compelling case for a broader Asian economic community built in a phased manner. It has been demonstrated that economic integration could generate billions of dollars of additional output. The vision of Asian economic integration by coalescing the FTAs among member Asian countries into an Asian RTA is the pivotal step towards the integration of Asia into a common unit. It is precisely for this reason that our Prime Minister, Dr Manmohan Singh, envisaged the creation of a broader Asian Economic Community. This continues to be a longer term goal for us in India.

Therefore, India stands for greater cooperation and exchange between the countries of the region. Sub-regional constructs such as BCIM complement our Look East Policy and are, therefore, equally important and significant for us. Since this is the case we are ready to move forward at a faster pace in enhancing and promoting our interactions in the BCIM forum. I am confident that you will factor this into your deliberations here in Kolkata, and would like to assure you of our support.

I thank you all.

Kolkata
February 18, 2012



© Content Owned by Ministry of External Affairs, Government of India.

[Terms & Conditions](#) [Privacy Policy](#) [Copyright Policy](#) [Hyperlinking Policy](#) [Accessibility Statement](#) [Help](#)

Working hours at Headquarters: 9:00 A.M. - 5:30 P.M.

Visitors: 72836517 Page last updated on: 18/2/2012