

The role that industry could play in India's Indo-Pacific outreach

Economic partnerships could form a central component of our plurilateral platforms of cooperation in this vibrant region



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The geostrategic relevance of the Indo-Pacific expanse, with rim countries of two oceans, has gained currency over the past year, deriving from aspirations of nations to diversify alliances and equations. A free, open, inclusive and rules-based architecture with security as a core pillar is the underlying objective of the nations that seek to expand their engagement in the region.

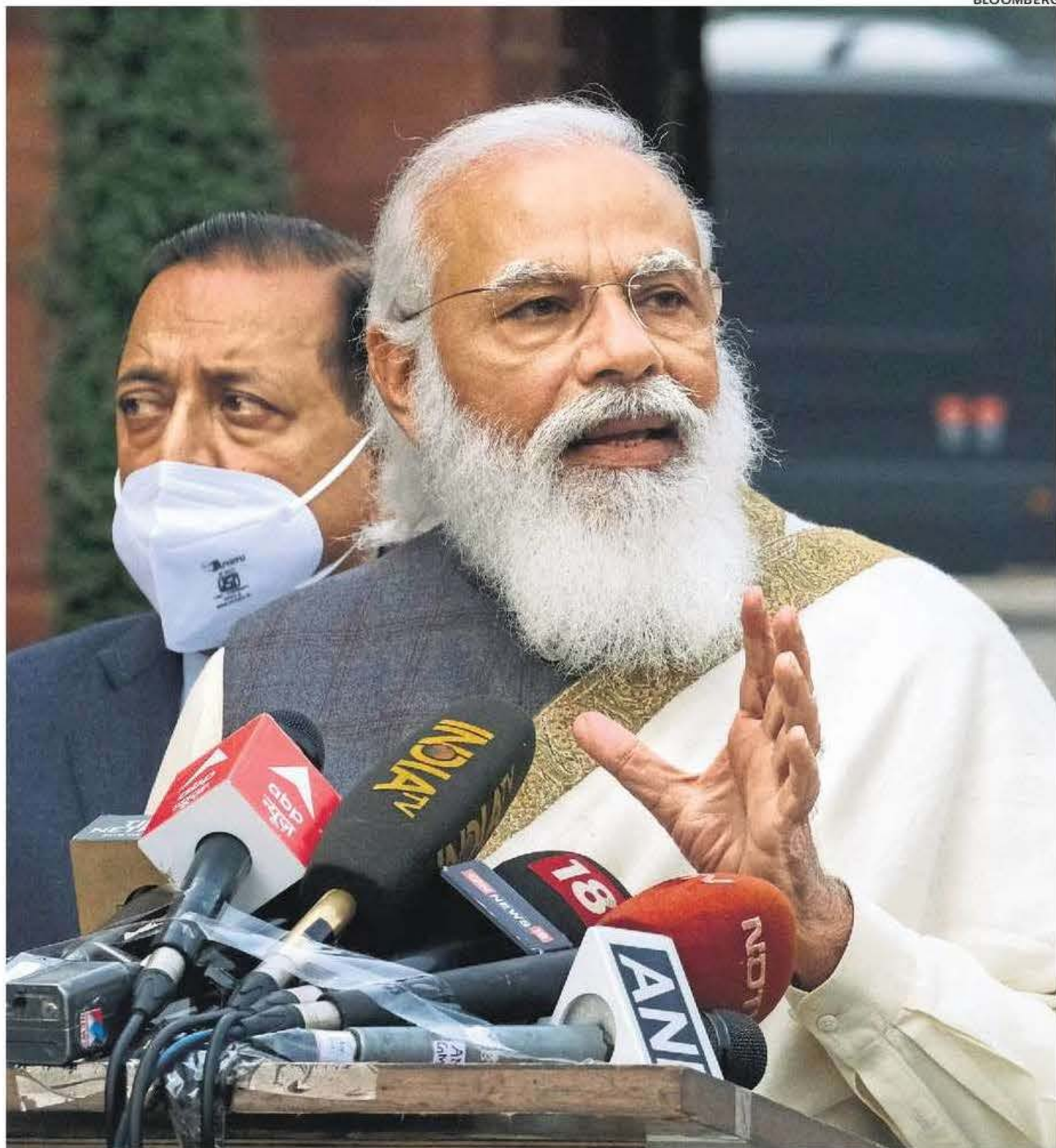
India's Indo-Pacific strategy was articulated by Prime Minister Narendra Modi at the Shangri-La Dialogue in Singapore in 2018 under the 'SAGAR' concept of Security and Growth for All in the Region. This was further developed by him at the East Asia Summit of November 2019, where seven pillars of the Indo-Pacific Oceans' Initiative were enunciated. With Asean as the centre, India's vision for the Indo-Pacific stretches from the western shores of the Americas to the eastern coastline of the African continent for common progress and prosperity. To take forward its call for a free, open, inclusive and connected region, New Delhi has joined and created new partnerships, such as the Quad, Supply Chain Resilience Initiative and various plurilateral configurations.

The Indo-Pacific Business Summit held recently in this context by the Confederation of Indian Industry in partnership with the ministry of external affairs was notable in three ways. One, as the first event focusing on industry partnerships in the region, it reiterated the relevance of economic engagement in the twin-ocean geography, and highlighted trade and investment as a consensual pillar of an overall strategy. On average, the 21 participating countries had a trade to GDP (gross domestic product) ratio of over 90% in 2019, far higher than the global average of 60%.

Second, the summit saw a wide participation of governments and private sectors across these 21 countries, which highlighted how the Indo-Pacific has seized the imagination of their foreign policies and their desire to deepen their partnership with India. India's trade with the participating countries has risen by about eight times over the last two decades, with the US, UAE and Singapore as our top export destinations in the region.

Third, it outlined the scope of emerging economic partnerships in this strategic space as extending much beyond trade and investment.

External affairs minister S. Jaishankar, while referring to such an expansion of scope as a result of the covid pandemic, underscored the "salience of health, power of the digital, and the importance of building or re-building greener". Other speakers at the seminar echoed this perspective, validating the relevance of collaborations on these three cross-cutting issues. The region's private industry must capitalize on these areas of cooperation to reinforce the security agenda of the Indo-Pacific construct.



On healthcare, vaccination is the immediate need of the hour and vaccine development has been a collaborative effort of the world's scientists and medical experts. To effectively translate this into vaccine access for all, technology sharing and building manufacturing capacity is critical. The Quad meeting in March had taken this up as a priority agenda as well.

Apart from vaccines, the countries of the region should also work on healthcare infrastructure and medical supplies. Joint investments and sharing of expertise can help in this effort, along with conducive policies from the respective governments. India has introduced a production-linked incentive scheme for certain drugs and inputs and is prioritizing industrial parks for pharmaceuticals, which can help expand capacities for the region. Capacity building and skill development of healthcare personnel is another area where India could take a lead.

The digital world has collapsed borders between nations and also erected a range of challenges that countries can best address together. Cross-border e-commerce is on the rise, with services being increasingly delivered on digital platforms. Physical as well as soft digital infrastructure needs to be in place to ensure that technology becomes a connector and not a differentiator for the region's countries. Data management, cyber security and capacity building are some of the challenges that India, with its computer services capabilities, is well positioned to address for the Indo-Pacific.

Green and sustainable development is no

longer an ideal but a compulsion. Issues such as biodiversity conservation, plastic waste management and water-sustainable agriculture must be addressed together with the climate-change imperatives of green energy, electric vehicles and energy-efficient products. The maritime world of the two oceans and its species-rich environs demand an extraordinary combined effort by participating nations and their businesses.

At the same time, conventional trade and investment too are seeing disruptive change in the region. The pandemic has impacted supply chains, which are now shifting towards more resilient, shorter and diversified models. The Supply Chain Resilience Initiative launched by India, Japan and Australia earlier this year aims to accelerate these shifts. While this process will take time, the Indo-Pacific business meeting underscored the new strategies being contemplated by companies of the region. The free, open and rules-based regime that is being emphasized is increasingly important to ensure a transparent and smooth transition of trade channels.

The seven identified pillars of India's Indo-Pacific strategy centred around maritime engagements can benefit greatly from the participation of industry across the region. Economic partnerships should be a central component of the plurilateral platforms that have been instituted, and specific forums for the identified areas of trade, connectivity, healthcare, digitalization and sustainability can be set up with the participation of governments and industry to ensure the success of the initiative.

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