



# Delhi Policy Group

Advancing India's Rise as a Leading Power



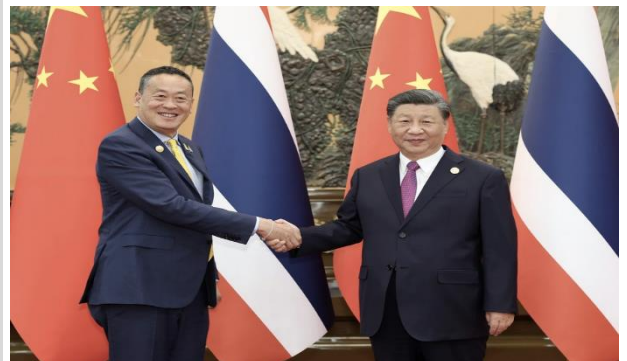
## EAST ASIA EXPLORER

### APRIL 2024

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*The views expressed in this publication are those of the authors and should not be attributed to the Delhi Policy Group as an Institution.*

### Cover Image:

*External Affairs Minister of India, Dr. S. Jaishankar with President of Philippines, Bongbong Marcos, in Manila, Philippines on March 26, 2024. (Source: [Dr. Jaishankar/ Official X Account](#))*

*Australian Prime Minister Anthony Albanese with PNG Prime Minister James Marape at the trek of the Kokoda Track at Kokoda Village, Papua New Guinea on April 23, 2024. (Source: [PM Anthony Albanese/ Official LinkedIn Account](#))*

*Chinese President Xi Jinping met Prime Minister of Thailand, Srettha Thavisin who was in China to attend the third Belt and Road Forum for International Cooperation (BRF) and pay an official visit, on October 19, 2023. Source: [Belt and Road Portal](#)*

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## China vies with Australia for influence in PNG

by

Pradeep Taneja

China's foreign minister Wang Yi visited Papua New Guinea in April to advance bilateral relations with the resource-rich Melanesian country amid concerns in Canberra and Washington about its growing influence and potential military presence in the region. This was Mr Wang's second visit to PNG and the region in two years.

On his last visit in May 2022, as part of a regional tour that included PNG, Mr Wang had failed to secure an anticipated regional trade and security agreement with the Pacific Island states. In the lead-up to Mr Wang's visit – primarily to attend the China-Pacific Island Countries Foreign Ministers' Meeting in Suva on 30 May 2022 – the Chinese diplomats had tried hard to coax the 10 island states to sign the Common Development Vision agreement. But a number of regional leaders balked at it, complaining that they were being rushed into signing it.

Immediately after the failure to obtain consensus on the agreement, which would have included free trade, joint policing and cybersecurity cooperation among other things, China released a [position paper](#) on the Pacific. This document did not mention the controversial issue of joint policing. Its centrepiece, however, was the announcement that China will appoint a special envoy for the Pacific Islands affairs. Since his appointment to this newly created position in February 2023, the veteran Chinese diplomat, Qian Bo, has visited the region several times, including PNG, to pick up the pieces.

Mr Wang's most recent visit to PNG must, therefore, be seen as part of an ongoing effort to strengthen diplomatic, economic and security relations with the Pacific Island states. As the largest of the group, PNG carries special [strategic significance](#) for major powers, including the United States and, potentially, China. It also has significant natural resource deposits.

Earlier, China had signed a secretive security agreement with PNG's neighbour Solomon Islands in April 2022. This was followed by the signing of another [agreement](#) to boost cooperation in "law enforcement and security matters" between the two countries during the then Solomon Islands' Prime Minister Manasseh Sogavare's visit to Beijing in July 2023. The growing security cooperation between China and the Solomon Islands has alarmed Australia

and its Western partners who worry that this could open the door for Chinese military presence in the region, despite denials by both China and the Solomon Islands.

While Mr Wang's recent visit to PNG did not produce any ground-breaking agreements between the two countries, in a clear dig at Australia and the United States, he said that the Pacific Island countries were not the "backyard of any major country". It is therefore unlikely that China will stop pushing for a comprehensive trade and security agreement with the Pacific Island states. In response to China's persistent efforts to bolster security ties with Australia's Pacific Island neighbours, the Australian government intensified its efforts to develop even closer ties with PNG – a complex society and the "land of 1,000 tribes", which Australia administered as a colony from 1906 to 1975.

Australians and Papua New Guineans have many shared memories and personal ties that China will never be able to replicate. These memories were recalled recently in a very strong fashion by Prime Minister Anthony Albanese of Australia, who arrived in PNG immediately after Mr Wang to walk the rugged Kokoda Track. It was a symbolic gesture to highlight the shared wartime memories of the 1942 battle against the Japanese when the Allied (mainly Australian) forces were very substantially helped by the people of PNG. The Kokoda Track has become something of a pilgrimage for thousands of Australians who undertake the arduous journey on foot every year. In a gesture of goodwill, the PNG Prime Minister James Marape decided to join Mr Albanese on the track.

Mr Albanese had in February this year invited Mr Marape to address the Australian parliament. He was the first Pacific Island leader to be extended this honour. In his welcoming remarks, Mr Albanese described Australia and PNG as "two free, proud and independent democracies." In a statement after their meeting, the two prime ministers reiterated their commitment to the Pacific's "existing security architecture."

Aside from such symbolic gestures, Australia has also increased economic assistance to PNG and signed a bilateral security agreement. In response to China's growing influence in the Pacific, the United States also signed a defence cooperation agreement with PNG in May 2023, which gives its forces access to PNG ports and airports at multiple sites. In this regard, the naval base at Lombrum on Manas island is of particular significance to the US and Australian forces. The base is being redeveloped by the Australian government under the Lombrum Joint Initiative at a [cost](#) of more than 175 million

Australian dollars, although it will remain a sovereign asset of the PNG defence forces.

The jostling for influence in the Pacific is unlikely to end any time soon. With China's deep pockets and its determination to increase its security footprint in the region, the leaders of sovereign Pacific Island states will be able to exercise their agency and choose their partners as they like. But if the recent change of leaders in the Solomon Islands is any guide, the peoples of the region will hopefully prioritise stability over new security partners.

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## Dr. S Jaishankar's Three-Nation Visit to Southeast Asia

by

Anshita Shukla

The year 2024 marks the tenth anniversary of the 'Act East Policy' of India upgraded in 2014 from the 'Look East Policy'. To commemorate the year, the External Affairs Minister of India, Dr. S. Jaishankar, made a three-nation official visit to Singapore, Malaysia, and the Philippines from March 23 to 27, 2024. In the minister's remarks at NUS-ISAS in Singapore, he stated that there is a "degree of comfort" in India's engagement with ASEAN "which is historical, cultural and civilizational"<sup>1</sup>. As India heads for its 2024 General Elections, the visit by Dr. Jaishankar to Southeast Asia reflects the high priority accorded to the region in the government's foreign policy outlook. A brief look into India's relationship with the three countries visited, reflects the concerted efforts by New Delhi to sustain and enhance its outreach into Southeast Asia.

Dr. Jaishankar commenced his three nations visit to Southeast Asia with the first stop in Singapore from March 23- 25, 2024. During his visit, he called upon Mr. Lee Hsien Loong, Prime Minister of Singapore and held meetings with Mr. Lawrence Wong, Deputy Prime Minister and Finance Minister; Mr. Teo Chee Hean, Senior Minister and Coordinating Minister for National Security; Mr. Vivian Balakrishnan, Minister of Foreign Affairs; Mr. Gan Kim Yong, Minister of Trade & Industry; and Mr. K Shanmugam, Minister for Home Affairs and Minister for Law. Dr. Jaishankar held discussions with the various leaders of Singapore on enhancing cooperation between the two countries in areas of fintech, digitalization, green economy, skills development, and food security<sup>2</sup>.

India shares a long history of positive relations with Singapore driven by shared economic interests and cultural affinity. In 1965, India was one of the first countries to recognise an independent Singapore. Over the years, the two countries have upgraded their bilateral relations to a Strategic Partnership and have developed 20 regular bilateral mechanisms, dialogues, and exercises<sup>3</sup>. In 2023, the leaderships of two countries continued to engage closely with each

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<sup>1</sup> South Asia Chat: Interview with Dr S Jaishankar, Minister of External Affairs, India, [ISAS Events](#), March 29, 2024.

<sup>2</sup> Visit of External Affairs Minister, Dr. S. Jaishankar to the Republic of Singapore (March 23-25, 2024), [Ministry of External Affairs, Government of India](#), March 25, 2024.

<sup>3</sup> India-Singapore\_Bilateral\_Relations\_Brief, [Ministry of External Affairs of India](#), November 2022.

other. Singapore PM Lee Hsien Loong participated in the G-20 Summit hosted by India in New Delhi.

Singapore is also the current country coordinator for India at ASEAN. A number of agreements have been signed between the two countries in 2023 like the extension of the MoU on Cooperation in the field of Personnel Management and Public Administration till 2028<sup>4</sup>, the MoU on judicial cooperation, and cooperation in the sphere of Law & Dispute Resolution<sup>5</sup>.

The Comprehensive Economic Cooperation Agreement (CECA) signed in 2005 paved the way for extensive economic relations between the two countries. Today, Singapore is the sixth-largest export destination for India and the eighth-largest source of imports for India<sup>6</sup>.

On the defence front, the two countries hold regular defence exchanges on various levels including high-level defence dialogues, military exchanges, and defence technology cooperation. The countries conduct joint military exercises like SIMBEX, SINDEX, and Bold Kurukshetra.

A key driver of the bilateral relations has been the people-to-people linkages between India and Singapore. There are approximately 650,000 people of Indian origin residing in Singapore, making up 10% of the entire population and the third largest ethnic group in the country<sup>7</sup>.

A crucial development was the UPI-PayNow linkage, the world's first real-time payment systems integration, inaugurated by India and Singapore on February 21, 2023. Two consecutive ISRO missions, PSLV-C55 (April 22, 2023) and PSLV-C56 (July 30, 2023), carried into orbit Singaporean satellites, two in the former and one –the Singapore's DS-SAR satellite in the latter<sup>8</sup>.

The second country visited by the minister on his Southeast Asian tour was the Philippines from March 25- 27, 2024. Dr. Jaishankar called on the President of the Philippines Ferdinand R. Marcos Jr. and met with Mr. Enrique A. Manalo,

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<sup>4</sup> India and Singapore sign a Protocol Document today extending for five years the current MoU on Cooperation in the field of Personnel Management and Public Administration till 2028, [PIB](#), July 6, 2023.

<sup>5</sup> India and Singapore sign Memorandum of Understanding on cooperation in the sphere of Law & Dispute Resolution, [PIB](#), March 14, 2024.

<sup>6</sup> India-Singapore bilateral trade grows 18.2% to \$35.6 bn in FY 2022-23, [Business Standard](#), April 6, 2024.

<sup>7</sup> The uniqueness of Singaporean Indians – holding their cultural identity to their hearts, [INDIASPORA](#), December 8, 2023.

<sup>8</sup> Unclassified\_India-Singapore\_Bilateral\_Relations\_Brief, [Ministry of External Affairs, Southern Division](#), August 2023



Secretary of Foreign Affairs of the Philippines, and Mr. Gilbert Teodoro, Secretary of National Defence of the Philippines. During the meetings, the ministers reviewed engagement between India and the Philippines in areas like political exchanges, trade & investment, infrastructure, engagements in new technologies and people-to-people exchanges, etc. A key topic of discussion was enhancing bilateral defence ties through 'capacity building, joint exercises, information exchange and defence industrial collaboration'. India's External Affairs Minister also visited the Indian Coast Guard Ship Samudra Paheredar, making a port call in Manila, showcasing maritime solidarity<sup>9</sup>.

The year 2024 marks the 75<sup>th</sup> anniversary of diplomatic relations between India and the Philippines established in 1949. Despite early convergence like participation in the Non-Aligned Movement (NAM), bilateral relations gained momentum in the last decade. In 2014, India's then External Affairs Minister Sushma Swaraj began using the term the West Philippine Sea, acknowledging the Philippines' claims over its EEZ (Exclusive Economic Zone). A defining development of bilateral relations was the \$375 million contract signed between India and the Philippines for the export of India's BrahMos shore-based anti-ship missile system in January 2022<sup>10</sup>. Defence ties between the two countries have continued to grow with regular participation in multilateral (RIMPAC, ASEAN-India Maritime Exercise) and bilateral exercises (Navy-to-Navy Passage Exercise, August 2021), capacity building with training exchanges and visits of delegations<sup>11</sup>. On the economic front, bilateral trade crossed the \$3 billion mark for the first time in 2023 with India's investments in the Philippines soaring up to \$900 million<sup>12</sup>.

India and the Philippines maintained the upward momentum in bilateral relations in 2023. The year started with Mr Enrique A. Manalo, Secretary of Foreign Affairs (SFA) virtually addressing the Foreign Ministers' Session of Voice of the Global South Summit (January 2023) and later making an official visit to India for the 5th meeting of the Joint Commission on Bilateral Cooperation (June 2023). India's PM Narendra Modi also held a bilateral meeting with Philippine President Ferdinand Marcos on the side lines of the 20<sup>th</sup> ASEAN-India Summit in Jakarta. The defence engagement remained a critical part of the relationship with India and the Philippines signing an MOU

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<sup>9</sup> Visit of External Affairs Minister, Dr. S. Jaishankar to Philippines (March 25-27, 2024), [Ministry of External Affairs of India](#), March 27, 2024.

<sup>10</sup> India, Philippines ink \$ 375 million deal for BrahMos missiles, [The Economic Times](#), January 29, 2022.

<sup>11</sup> Brief on India-Philippines Bilateral Relations, [Ministry of External Affairs of India](#), October 11, 2023.

<sup>12</sup> India, Philippines go slow on BIT push, [Live Mint](#), September 27, 2023.

on Enhanced Maritime Cooperation<sup>13</sup>, Standard Operating Procedure (SOP) for the exchange of White Shipping Information<sup>14</sup>, and an MOU for the constitution of Joint Working Group on Cooperation in Financial Technology<sup>15</sup>. The two countries convened the 8th Intelligence Exchange (INTELEX) meeting in India on July 12, 2023, and the Inaugural India-Philippines Maritime Track 2 Dialogue in Manila on September 12, 2023. President Marcos announced India was one of the countries that the Philippines would extend e-visa for travellers on January 26, 2023.

Malaysia was the last country visited by Dr. Jaishankar on his tour of Southeast Asia from March 27 to 28, 2024. The minister made a courtesy call on the Prime Minister of Malaysia, Anwar Bin Ibrahim, and held meetings with the Minister of Foreign Affairs of Malaysia, Mohamad Bin Haji Hasan, and the Minister of Digital, Gobind Singh Deo. In the meetings, the ministers discussed ways of enhancing bilateral cooperation in areas like political, trade and economic, defence, digital, culture and education. The External Affairs Minister of India also met with CEOs, leaders of industry, and members of the Indian diaspora in Malaysia<sup>16</sup>.

India and Malaysia share a seven-decade long history of diplomatic relations which was upgraded to an enhanced Strategic Partnership in November 2015. The Malaysia-India Comprehensive Economic Cooperation Agreement of 2011 laid the ground for Malaysia to become India's third-largest trade partner among ASEAN countries with bilateral trade of US\$ 20 billion<sup>17</sup>. The bilateral relations suffered a brief setback post Former Malaysian Prime Minister Mahathir Mohamad's controversial remarks on the Citizenship Amendment Act (CAA) and the abrogation of Kashmir's special status<sup>18</sup>. However, the relations were soon reset through subsequent diplomatic outreach. The engagement paved the way for enhancing defence cooperation between the two countries. In 2022, the two sides amended the 30-year-old MoU on bilateral

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<sup>13</sup> Indian Coast Guard signs MoU with Philippines Coast Guard on enhanced maritime cooperation; holds the first bilateral meet, [PIB](#), August 22, 2023.

<sup>14</sup> Ing Of Sop on White Shipping Information Exchange Between Indian Navy and Philippine Coast Guard, [PIB](#), August 23, 2023.

<sup>15</sup> Joint Statement on the 5th India-Philippines Joint Commission on Bilateral Cooperation, [Ministry of External Affairs, Government of India](#), June 29, 2023.

<sup>16</sup> Visit of EAM, Dr. S. Jaishankar to Malaysia (March 27-28, 2024), [Ministry of External Affairs of Government of India](#), March 28, 2024.

<sup>17</sup> India-Malaysia trade set to soar to \$25 bn in next 3 years: Indian envoy, [Business Standard](#), November 25, 2023.

<sup>18</sup> 'No apologies, keeping quiet not an option': Ex-Malaysia PM Mahathir on Kashmir remarks, [Indian Express](#), August 8, 2020.

defence cooperation and conducted three security joint exercises – Udara Shakti, Samudara Laksamana and Harimau Shakti<sup>19</sup>.

In 2023, the India-Malaysia relations were marked by a number of high-level bilateral visits. Two critical meetings in the year were the Minister of Foreign Affairs of Malaysia, Dr. Zambry Abdul Kadir's visit to India for the 6th India-Malaysia Joint Commission Meeting (JCM) (November 7, 2023) and Defence Minister of India, Rajnath Singh's official visit to Malaysia (July 10 -11, 2023). The latter's visit to Malaysia facilitated enhanced defence engagement between the two countries with India hosting the 12th edition of the MIDCOM (September 19, 2023) and 9th Army to Army Staff Talks (June 2023). The latest joint bilateral exercise Harimau Shakti was held on October 23, 2023, and the bilateral maritime exercise was concluded on March 5, 2024. A notable MoU for Cooperation in Broadcasting between Prasar Bharati and Radio Televisyen Malaysia (RTM), Malaysia was signed between the two countries in the year 2023<sup>20</sup>. In Malaysia, the fifth ASEAN-India Business Summit was convened on March 6, 2023, to celebrate 30 years of ASEAN-India Engagement and the first India-ASEAN Start-up Summit (December 12-13, 2023)<sup>21</sup>.

As the theatre of strategic competition moves towards the Indo-Pacific, the USA's priorities are distracted and diffused due to the ongoing conflicts in the Middle East and Europe. China's unilateral assertions, on the other hand, continue to rise most prominently in the South China Sea. The tensions in the region are exacerbated by fading ASEAN centrality and a lack of consensus amongst member states. In the face of this geopolitical reality of Southeast Asia, India's consistent outreach and growing defence engagement with the region allows diversification of relations and avoids over-dependence on a single major power for Southeast Asian countries. For India, the pre-election forecasts<sup>22</sup> state the high likelihood of the present political dispensation in New Delhi to assume power again in 2024. In light of this, Dr. Jaishankar's visit reflects the upcoming government's intent to continue prioritising the Indo-Pacific region in India's foreign policy for the coming term. As Dr. Jaishankar credited "the 'Look East' and 'Act East' policies with being the drivers of India's policies in the Indo-Pacific" in his interview with ISAS-NUS, India's

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<sup>19</sup> 2023 marks reset in India-Malaysia relations, [Institute of Strategic and International Studies Malaysia](#), July 17, 2023.

<sup>20</sup> Cabinet approves India and Malaysia sign an MoU for Cooperation in Broadcasting between Prasar Bharati and Radio Televisyen Malaysia (RTM), Malaysia, [PM India](#), December 27, 2023.

<sup>21</sup> India-Malaysia Bilateral Relations, [High Commission of India Kuala Lumpur](#), January 2024.

<sup>22</sup> Modi could sweep away Congress in Indian election, says survey, [Reuters](#), April 3, 2024.

relations with ASEAN countries continue to remain the bedrock of its Indo-Pacific strategy<sup>23</sup>.

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<sup>23</sup> South Asia Chat: Interview with Dr S Jaishankar, Minister of External Affairs, India, [ISAS Events](#), March 29, 2024.

## Thailand Rebalances its Relationship with China

by  
Jayantika Rao T. V.

### Introduction

Prior to the official inauguration of the newly elected democratic administration led by Srettha Thavisin, the prime minister convened a meeting with the Chinese Ambassador to Thailand, Han Zhiqiang, on August 29, 2023.<sup>24</sup> This meeting was noteworthy as it became indicative of Srettha's attitude towards China. Historically, Thai prime ministers have typically followed the protocol of meeting with the envoys of the member states of the Association of Southeast Asian Nations (ASEAN) as a priority before convening a meeting with other diplomatic representatives.<sup>25</sup> Expectations of closer cooperation between the two countries were renewed when Srettha arrived in China for his first official visit outside the Association of Southeast Asian Nations (ASEAN) to attend the Third Belt and Road Forum for International Cooperation in October 2023. The official visit reflected the great importance Thailand attached to its bilateral relations with China, which was further reiterated by Srettha, who called China their "elder brother"<sup>26</sup>.

The relationship between Thailand and China has a rich historical context. It has evolved from a state of mutual distrust during the Cold War to that of a strong strategic partnership. The end of the Thai Communist Insurgency and the development of relations between Thailand and China encouraged by the United States were key turning points. Unlike other Southeast Asian nations, Thailand does not face any territorial dispute with China related to the South China Sea, which has also contributed to the strength of their relationship.

The strong personal connection between Thailand and China is bolstered by several factors. The vast ethnic Chinese population in Thailand, along with the burgeoning trade relations and increasing military and civilian exchanges

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<sup>24</sup> "PM Srettha Thavisin meets with Chinese Ambassador to Thailand". Royal Thai Government. (2023, August 30). Accessed from, <https://www.thaigov.go.th/news/contents/details/71840>

<sup>25</sup> "Thailand PM Srettha shows signs of leaning toward China for growth". Accessed from, <https://asia.nikkei.com/Politics/Thailand-PM-Srettha-shows-signs-of-leaning-toward-China-for-growth>

<sup>26</sup> Gill, Prem Singh. "Commentary: Thailand Is At Risk Of Becoming Overly Reliant On 'Big Brother' China". Chanel News Asia. (2023, October 30). Accessed from, <https://www.channelnewsasia.com/commentary/thailand-srettha-thavisin-china-ties-bri-railway-investment-us-concerns-3877126>

between the two countries, have contributed to this partnership. As a result, the relationship between Thailand and China has become a noteworthy example of successful cooperation in the region.

## Economic Relations

After Thailand established its diplomatic ties with China in 1975, the two countries have been able to strengthen their relationship primarily through economic ties. In the past two decades, China has become Thailand's top trading partner, with a trade value of US Dollars 104,965 million in 2023<sup>27</sup>. It is worth noting that the United States is Thailand's second largest trading partner, with a trade volume of US Dollars<sup>28</sup> 68,358 millions. This translates to a nearly 42% difference in trade volume between the two countries. Despite the upheavals caused by the COVID-19 pandemic in both China and Thailand, the flow of tradable goods between Thailand and China remained relatively stable between 2018 and 2022, according to trade statistics.

The economic growth of the Sino-Thai relations was driven by the signing of the China-ASEAN Free Trade Agreement (CAFTA) in 2002. The CAFTA paved the way for bilateral trade, services, and investment agreements between the two countries. Over the years, China and Thailand signed several agreements, including the Memorandum of Understanding on Trade, Economic and Technical Cooperation (1997), and the Bilateral Currency Exchange Agreement (2011, 2014).<sup>29</sup> Additionally, in October 2003, the two countries implemented a zero-tariff arrangement for vegetables and fruits within the framework of the China-ASEAN Free Trade Area. From an ASEAN export perspective, Thailand has one of the highest shares of trade in exports of machinery and transport equipment.<sup>30</sup> The series of China-Thailand bilateral economic agreements have created ample opportunities for Chinese enterprises to expand their businesses and penetrate Thailand's markets.

However, despite Srettha's close ties to China, Thailand plans to take a practical stance in protecting its economy from the potential over-dependence on Chinese imports. Recent reports suggest that the Thai government may implement protective tariffs on Chinese goods. In particular, the government

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<sup>27</sup> "Major Trading Partners". Ministry of Commerce of the Kingdom of Thailand. Accessed from, <https://tradereport.moc.go.th/Report/ReportEng.aspx?Report=TradeEnCountryTrade>

<sup>28</sup> Ibid

<sup>29</sup> "Overview of China-Thailand Relations". Embassy of the People's Republic of China in the Kingdom of Thailand. Accessed from, <http://th.china-embassy.gov.cn/eng/ztgx/gxgk/>

<sup>30</sup> Zhai, Huafeng. "Evaluation of China-ASEAN trade status and trade potential: An empirical study based on a gravity model." Plos one 18, no. 9 (2023): e0290897.

is contemplating imposing a seven percent value-added tax on Chinese goods priced below 1,500 Baht (US \$40) and routed through Thailand's free trade zones.<sup>31</sup> It is important to note that this move does not signify a shift away from China. Instead, it reflects the government's commitment to prioritise protection of the Thai economy.

### **Mutually Beneficial Infrastructure**

The bilateral relationship between China and Thailand involves the Bangkok-Nong Khai High-Speed Train project, aimed at connecting Bangkok and Kunming, via Laos, under the auspices of the Belt and Road Initiative (BRI). According to the 2016 agreement signed by Thailand and China, Thailand would cover all expenses incurred during the project, while China would provide its technical expertise in terms of railway system development. However, the project has been delayed due to construction obstacles. Nevertheless, in 2022, the previous Thai government committed to completing the project by the originally promised year, which is 2028. This commitment was reiterated by Prime Minister Srettha Thavisin when he attended the Belt and Road Forum last year. Srettha promised to accelerate the construction and stated that the project "would enhance the connection between its domestic railways and the China-Laos railway, a flagship Belt and Road Initiative (BRI) project in the region."

The railway is an important component of the BRI, and many Chinese officials have previously expressed frustration with the slow progress. For Thailand, participating in the BRI offers the potential for increased economic integration and connectivity with China and neighbouring countries. By fast-tracking the project, Srettha attempted to send a clear signal about his dedication to improving the Thai economy. Additionally, the BRI project is envisioned to have a strategic benefit for Thailand as it will transform Thailand's two important transport hubs – Khon Kaen and Nong Khai, stimulating economic growth and fostering progress in the region. However, prioritising such a large-scale project requires meticulous management and risk assessments that burdened the previous government. Moreover, as mentioned above, as Thailand is funding the construction phase of the project, estimated to be a 434 billion-baht project the question remains: will Thailand be able to fund such a large-scale project when Srettha's administration is tasked with helping the Thai economy recover?

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<sup>31</sup> "Thailand Contemplates Protective Tariffs on Chinese Imports Amidst Surging Trade Deficit". ASEAN Briefing. (2024, April 16). Accessed from, <https://www.aseanbriefing.com/news/thailand>

## Military and Security Partner

While the economy has been the primary focus in Sino-Thai relations, security cooperation has increased in the last decade, especially since the 2014 coup when many democracies, especially Thailand's treaty partner - the United States, shunned the military government. With no territorial dispute, Thailand does not perceive China as a threat, allowing the two countries to cooperate on many traditional and non-traditional security issues. One of the main concerns for Thai officials is the non-traditional threats and their ability to disrupt the economy, especially from Myanmar. In recent years, Thailand has looked to China for assistance in managing them. Moreover, as the previous Thai government was able to improve its security partnership with China, Thailand was able to purchase more military equipment. It also expanded its bilateral Joint Military Operations (JMEs) with China<sup>32</sup>. One of the most controversial purchases in 2017 was the purchase of three Yuan Class S26T submarines. However, the deal has been delayed due to economic constraints and issues with the submarine's German engine when Germany forbade its engines' use for Chinese military exports. Although the Thai Navy is determined to purchase the submarine, many analysts suggest that Srettha is not convinced despite the symbolic nature of the deal with the two countries' relations. In October 2023, the Thai Defence Minister, Sutin Klungsang said that they had proposed to the Chinese to swap the submarines for frigates based on the money already given by the government.<sup>33</sup> According to a Navy source cited by the Bangkok Post on March 28<sup>34</sup>, the Chinese government has tentatively agreed to provide the Thai navy with either two patrol vessels or a frigate. However, neither government has yet confirmed the agreement.

## Conclusion

It is still the early days of the new administration in Thailand, but an early analysis shows that Thailand under Srettha's leadership will be practical in how they engage with other countries including China. Thailand, a tourist-driven economy was severely impacted by Covid-19 which means that Srettha will

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<sup>32</sup> Sato, Jack and Yaacob, Rahman. "Is China Replacing the US as Thailand's Main Security Partner?" Lowy Institute. (December 2, 2023). Accessed from, <https://www.lowyinstitute.org/publications/>

<sup>33</sup> "Sutin Says He Can Explain Why the Thai Navy Decided to Buy Frigate Instead Of Submarine". The Nation. (2023, October 23). Accessed from, <https://www.nationthailand.com/thailand/politics/40032172>

<sup>34</sup> Nanuam, Wassana. "China Agrees To Supply Ship Instead Of Sub To Navy". The Bangkok Post. (March 28, 2024). Accessed from, <https://www.bangkokpost.com/thailand/general/2766824/china-agrees-to-supply-ship-instead-of-sub-to-navy>



ensure that economic recovery will be at the forefront of his policymaking. As such, identifying economic solutions and partnerships that will benefit its interests. Srettha has the ability to engage with the West, particularly the United States, which withdrew under the previous military administration. As a result, under the aegis of Srettha, Thai policy will not lean towards any great power that might endanger the nation's sovereignty.

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## Strategies for Shaping Asia's Security Environment

by  
Biren Nanda

### The Core Developments Shaping the Strategic Outlook in the Indo-Pacific

After the Global Financial Crisis (2007-08), there was a relative decline in US power and China made the most of a period of strategic opportunity to fill the strategic space left vacant by a United States preoccupied with its economy and two wars in Iraq and Afghanistan.

China's unprecedented economic and military rise, its aggressive behavior, its unilateral territorial assertions, its economic coercion, and its challenge to the United States' status as the dominant power in Asia are bringing about a geostrategic shift and raising tensions in the Indo-Pacific. The regional balance has been upset and its restoration is the key to ensuring regional stability in the future. The credibility of US alliances in Asia is now openly challenged by China.

The geo-economic trends in Southeast Asia in the 1990s and the first decade of this century were driven by the rationality of individual investors seeking to benefit from the economic opportunity in China, but whose cumulative effects were generating major geopolitical consequences.

Conventional geopolitical wisdom holds that states will engage in power balancing against rising powers. This line of reasoning suggested that states would engage in "containing" or "hedging" against China's rise. This did not happen in the 1990s because multinational firms seeking to access market opportunities in China had been willing to do whatever it took to get in.

The cumulative effect of these decisions helped build up their country's foremost strategic competitor and simultaneously undermined their countries' long-term interests. In fact, Foreign Direct Investment into China has largely come from three countries and regions most concerned about China's rise: Taiwan, Japan, and the United States.

The tensions between the geo-political and geo-economic pressures in Southeast Asia are being mediated by the interdependence created by cross-border production networks. These cross-border networks while speeding up economic growth in Southeast countries, have made them less resilient and more vulnerable to Chinese pressure.

The resurgence of territorial disputes in the South China Sea over the past two decades signaled a return to the imperatives of geopolitics in the region.

### **Clash of Geopolitics in Asia**

As a direct consequence of these developments, the global system is in a state of flux. China's economic, territorial, and grey zone assertions, its attempt to strategically dominate its periphery through the BRI, and its growing military power pose significant challenges to regional peace and stability in the Indo-Pacific.

Confrontation and competition with China are the new paradigm for the United States strategic policy towards China and represents a tectonic shift after 1971. The tariffs imposed by the US seek to ostensibly address the trade deficit and theft of intellectual property but are more broadly a reaction to the rise of China as a challenger to the United States' dominance of the capitalist, liberal and democratic order. New US tariffs and export controls have targeted a range of high technology industries especially in those areas which China hopes to lead in 2025 or 2049. The US is targeting hi tech manufacturers in China to disrupt President Xi's "Made in China" 2025 plan, which seeks to make China's manufacturing more globally competitive by focusing on artificial intelligence and automation. What makes the United States' current trade problems with China more complex is that they are mixed up with security considerations. Chinese scholars increasingly believe that the current state of US-China relations is the "new normal"; the two countries are engaged in a game of strategic bluff and China's strategic determination and stamina to fight back are being tested. Whoever blinks first will lose.

### **ASEAN Centrality Has Been a Cornerstone of The Regional Security Architecture in East Asia**

For US, India, Japan and Australia ASEAN centrality has been a cornerstone of the regional security architecture in East Asia, but neither the security architecture nor the economic integration components of ASEAN-centric mechanisms are doing particularly well. ASEAN cohesion has collapsed under Chinese pressure since 2012. There is a state of confusion where accommodation of China is writ large and questions are being raised against the Quad and the "Indo-Pacific." Expectations from the EAS are fading, and the conclusion of the RCEP has increased Chinese economic dominance in the Southeast Asian region. As such, ringing endorsements of ASEAN centrality to the broader Indo-Pacific would appear to be misplaced. This is all the more so as the constricted geographical space ASEAN centrality implies corresponds only partially to India's definition of the Indo-Pacific.

## China's Vision of a New Security Architecture in the Indo-Pacific

China's vision is for a security architecture that embraces ASEAN centrality, albeit a weakened one, is focused on partnerships, draws on existing institutions like the SCO and CICA and dilutes US influence in Asia. Our own interest and that of regional partners should be to nudge China towards a greater acceptance of multi-polarity in Asia.

## The Strengthening of the US Alliance System

In the Asia-Pacific, the United States had been operating the hub and spokes alliance system centering on its alliances with Australia, Japan, Thailand, South Korea, and the Philippines. In the post-Cold War period, the US has focused on strengthening its bilateral alliances with Japan and Australia and has also established the US-Japan-Australia Trilateral Strategic Dialogue.

## China Perceives Mini-Lateral Security Cooperation as the Emergence of Quasi-Alliances

Bilateral 2+2 Dialogues of Foreign Ministers of the US and India; India and Japan; Australia and India; and Trilateral Dialogues between the US, India and Japan; India, Australia and Japan; and US, Japan, and Australia have developed into important platforms for discussing regional issues and cooperation. These mini-lateral dialogues are focused on common security interests and require a very high degree of shared threat perception and a manifest desire for interoperability amongst participants. China perceives US-led mini-lateral security cooperation as a quasi-alliance for containing China.

## How does India Assess the Revival of the Quad?

The Quad today, revived after a decade of dormancy in November 2017, emerges from three separate trilateral security dialogues: India-US-Japan, Japan-US-Australia, and India-Japan-Australia. Since its very inception, the Quad has had a rather tenuous existence. While Quad members might share the desire to moderate China's unilateral and hegemonic assertions, each of them has different thresholds for accommodating or hedging against China. This tends to provide China considerable leverage over Quad members. Looking over the shoulder to see how China might react, had stopped the Quad dead in its tracks in 2007 and could do so again.

The Quad is essentially a 3+1 forum as India is not in alliance with the others. India's perspective within the Quad is quite distinct: it upholds multipolar stability and an equitable regional order based on cooperation and not

dominance. The Quad is presently focussed on the provision of global goods and has no explicit security orientation.

### **Indo-Pacific Strategy as an essential element in the Indo-Pacific Security Architecture**

The US regards India as central to its Indo-Pacific Strategy and an essential element in the Indo-Pacific Security Architecture. India and the United States need to jointly evolve a common strategy that takes into account the growing strategic salience of the Indian Ocean, the challenge that China presents in the Indian Ocean, and the need to preserve the role of ASEAN in regional security.

Furthermore, despite the common embrace of the Indo-Pacific as regional architecture, the US and its allies are mainly focused on Asia-Pacific security, and their military deployments also correspond to the Asia-Pacific. The US, Japan, and Australia play no supportive roles in meeting India's continental challenges.

### **India's Response to these Developments**

India is reacting to developments in the Indo-Pacific in a number of ways. First, from a strategic perspective, India has moved closer to the United States. However, India is not a member of any alliance and maintains strategic independence. How China approaches differences with India in the future will in part determine whether this posture will change. Second, India has in the past pursued comprehensive engagement with China based on the belief that there is enough strategic space in Asia to support the rise of both. Unfortunately, China's territorial assertions in Ladakh have dealt a serious setback to decades of diplomatic efforts to maintain peace and security along the border areas between the two countries. India has developed closer strategic ties with other powers in the region including Japan, Vietnam, Indonesia, and Australia. With its "Act East Policy" and SAGAR (Security and Growth for all in the Region), India is working vigorously to strengthen relations with ASEAN countries, bilaterally and through active participation in ASEAN dialogue forums.

### **What Can India and Japan Do Together?**

The India-Japan relationship can play a decisive role in balancing Asia. However, to be effective, India-Japan ties must expand strategically in all areas- economic, security, and defense. Only by acting strategically and in concert can India and Japan encourage China towards greater recognition of multi-polarity in Asia and moderate China's assertive behavior. India and

Japan must focus on strengthening ASEAN cohesion and addressing the economic and security issues that are pushing ASEAN into the Chinese embrace. On defense, both sides need to harmonize expectations. India is building its defense industrial capacity and developing power projection capabilities as a net security provider and first responder for HADR in the Indo-Pacific. Japan can help India build those capabilities faster.

BBIN and BIMSTEC cooperation are India's main regional priorities. This opens greater room for India-Japan initiatives for East-West connectivity alignments, involving the strategic use of Japan's ODA, and India's grant assistance programs in the region. They can together shape a prosperous Bay of Bengal Community.

### **The Demise of End of History Presumptions**

When Francis Fukuyama announced the "end of history" and the victory of liberal democracy and capitalism, the hope was that China like everyone else would be forced to adopt democratic and capitalist reforms to continue its economic rise. After 40 years of China's reforms, the West has finally realized that there will be no systemic change in China towards a Western democratic model. The 'China Collapse' theory circulating in the West has also been proved wrong.

In China's case, an authoritarian single-party power structure pushed growth initiatives from the top. The infant industry argument, technology transfer or technology theft due to lack of IPR protection, and policies that require foreign companies to transfer technology as a condition of investing in China have been consistent elements in China's industrial policy.

Moderating China's appetite for using force to settle disputes, curbing its territorial assertions, and ensuring that it abides with a rules-based international order is the biggest challenge that the world faces today.

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