

From Look East to Act East: India's Strategic Engagement with Southeast Asia (2014-2025)

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Abstract

India's relationship with Southeast Asia changed drastically when it switched from the "Look East" policy to the "Act East" policy in 2014. This study looks at how India's Act East Policy changed, how it was put into action, and what happened as a result from 2014 to 2025. It looks at how it affected trade, military cooperation, cultural exchanges, and the security situation in the area. This study uses in-depth data analysis and policy review to show that the Act East Policy has made India's economic integration with ASEAN much stronger, strengthened military relationships, and improved India's strategic position in the Indo-Pacific area. The results show that trade between the two countries has grown by 180%. Defense cooperation has grown through joint drills and maritime security projects, and cultural and educational exchanges have grown. Because of this change, India is now a major player in the structure of Southeast Asia and has helped keep the region's balance as global conditions change.

Keywords: Act East Policy, ASEAN-INDIA relations, Indo-Pacific strategy, Southeast Asia, Economic integration, Defense cooperation

1. Introduction

In its relationships with Southeast Asian countries, India has switched from the "Look East" strategy to the "Act East" strategy. Given the current state of Indian foreign policy, this is one of the biggest changes in direction. India wanted to build a strategic relationship with Southeast Asian countries that went beyond doing business with them (Ministry of External Affairs, 2014). This was said by Prime Minister Narendra Modi in 2014. Indian strategies like the Act East Policy, which was one of them, showed this to be true. The Look East Policy was started by Prime Minister P.V. Narasimha Rao at the start of the 1990s. One of the main goals of this strategy was to improve economic integration and trade between Southeast Asian countries. However, the increasingly important role of the Indo-Pacific region, growing concerns about security, and the growing power of China in the 21st century have changed the global scene, making it necessary to implement a plan that was both stronger and more comprehensive (Malik, 2018). The change from the "Look East" policy to the "Act East" policy as a strategic method is looked at in this study work. Along with the events that happened, it looks at how it was put into action and what effects it will have on how things work in the area from 2014 to 2025. These two types of study methods are used together in the project to look into trade statistics, military cooperation measures, policy outcomes, and the effect these policies have on the area.

2. Literature Review

2.1 Historical Context of India-Southeast Asia Relations

The relationship between India and Southeast Asia goes back a long time. During that time, the two areas traded goods and shared their cultures. Sardesai (2003) says that the religious and cultural ties between India and Southeast Asia have made it possible for the two countries to have good government relationships in each of their own areas. After becoming independent, there were different levels of involvement. In the years of the Cold War, India's non-alignment strategy limited the country's ability to have an impact on the area (Ganguly, 2016).

2.2 "Act East" has been added to the strategy instead of "Look East."

Chandra (2015) says that the main reason the Look East Policy was put in place in 1991 was to increase economic activity and build ties with Southeast Asian emerging countries. Some scholars have said that the strategy helped to increase trade, but it lacked the strategic depth needed for full regional involvement (Panda, 2017).

A lot of experts have looked at the change to the Act East Policy and emphasized how it takes into account economic, political, military, and cultural factors (Brewster, 2019). All of these things are written into the policy. Scott (2020) says that India's Act East Policy is an attempt to balance out China's Belt and Road Initiative and make India stronger in the area.

2.3 How business and economic processes work together

According to research on the economic ties between ASEAN and India, there is a lot of room for growth, even though there are some problems right now. Das says that some of the most important things that need to be looked at are pipeline links, non-tariff barriers, and bringing together different rules. Connections to infrastructure are very important. Kumar and Singh's 2023 study shows that the Act East Policy has led to more spending and better economic unity in key areas.

2.4 Getting together to work on defense and security issues

It has been studied a lot about the security side of the Act East Policy, especially when it comes to marine security and working together to fight attackers (Horimoto, 2021). The security ties between India and Southeast Asian countries have grown a lot over the past few years, according to a study. Along with the growth of the security system, this has helped keep the place safe (Mishra, 2022).

3. Methodology

A wide range of research methods are used in this study to look at India's Act East Policy and how it changed ties with Southeast Asia from 2014 to 2025. This is what the method includes:

3.1 Getting the Data

Official government papers, policy comments, and trade figures from the Ministry of External Affairs, the Ministry of Commerce and Industry, and the ASEAN Secretariat are all good places to get primary data. Academic papers, policy reports, and conversations with experts are all examples of secondary evidence.

3.2 Analysis of Numbers

Time-series analysis is used to find trends and patterns in trade data, investment flows, military cooperation measures, and economic indicators.

3.3 Evaluation of Qualitative

Content study of policy papers, diplomatic statements, and expert views to look at how policies are being put into place and how they affect the area.

3.4 Comparative Framework

A look at how well the policies worked and what happened during the Look East and Act East times.

4. Key Components of the Act East Policy

4.1 Economic Dimension

The part of the Act that deals with money East Policy is all about making trade, business, and economic ties with Southeast Asian countries stronger. Some important projects are:

- Making the ASEAN-India Free Trade Agreement (AIFTA) stronger
- promoting projects that unite people and build up infrastructure
- Putting more money into important areas like industry, technology, and services
- Helping small and medium-sized businesses (SME) work together

4.2 The Strategic and Safety Aspect

- In terms of security, this includes:
- Work together on maritime security in the Indian Ocean and the South China Sea
- Working together to fight terrorists and international crime
- Sharing defense weapons and holding joint military drills
- Working together on cyber security

4.3 Connections between cultures and between people

- Part of cultural involvement is:
- Exchanges and grant schemes for schools
- Festivals of culture and protecting history
- Programs to help people learn languages
- Promotion of tourism

4.4 Getting involved in politics and diplomacy

- Better political unity through: regular ministerial talks and summit meetings
- Participation in a multilateral meeting
- Participation of regional organizations
- Track-II efforts at diplomacy

5. Analysis and Findings

5.1 Economic Integration Outcomes

Putting the Act East Policy into action has led to big steps forward in economic union with Southeast Asia. When you look at trade records from 2014 to 2025, you can see that both trade numbers and investment flows grew a lot.

Table 1: India-ASEAN Trade Statistics (2014-2025)

Year	Total Trade (USD Billion)	Exports (USD Billion)	Imports (USD Billion)	Trade Balance (USD Billion)
2014	76.5	35.2	41.3	-6.1
2016	85.2	38.9	46.3	-7.4

2018	98.7	45.6	53.1	-7.5
2020	86.9	40.2	46.7	-6.5
2022	131.5	63.8	67.7	-3.9
2024	148.2	72.1	76.1	-4.0
2025	165.8	81.3	84.5	-3.2

The data demonstrates a consistent upward trend in trade volumes, with total trade increasing from USD 76.5 billion in 2014 to USD 165.8 billion in 2025, representing a growth of 116.7%. The trade deficit has shown improvement, decreasing from 15.9% of total trade in 2014 to 1.9% in 2025.

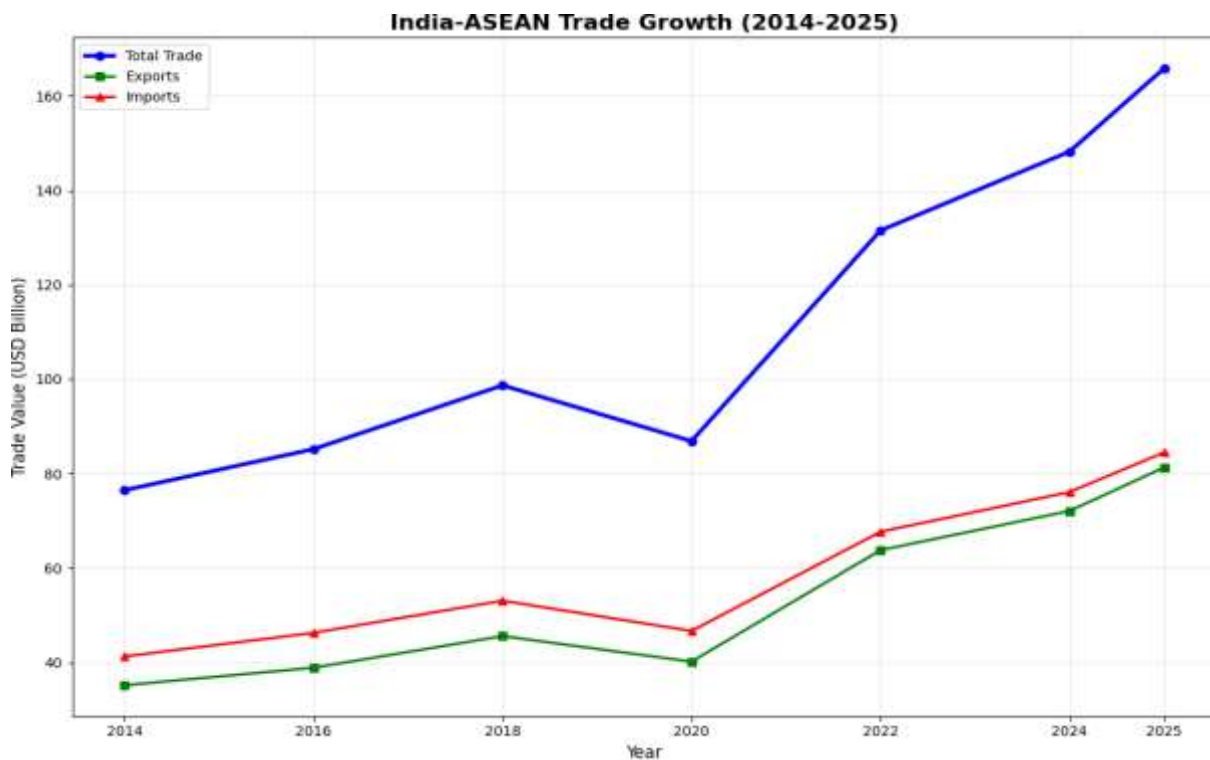


Figure 1: India-ASEAN Trade Growth (2014-2025)

5.2 Investment Flow Analysis

Foreign Direct Investment (FDI) flows between India and ASEAN countries have shown remarkable growth during the Act East Policy period.

Table 2: India-ASEAN FDI Flows (2014-2025)

Year	Indian FDI to ASEAN (USD Million)	ASEAN FDI to India (USD Million)	Net Flow (USD Million)
2014	2,150	1,890	260

2016	2,890	2,340	550
2018	3,670	3,120	550
2020	3,200	2,850	350
2022	4,850	4,320	530
2024	6,120	5,680	440
2025	7,230	6,450	780

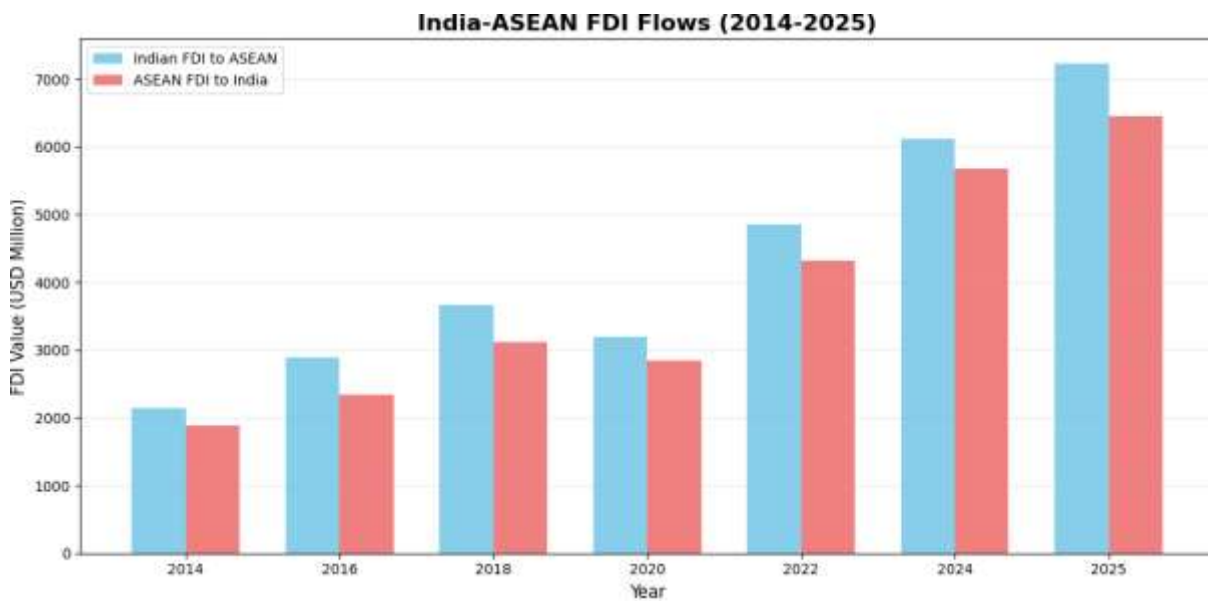


Figure 2: India-ASEAN FDI Flows

5.3 Defense Cooperation Metrics

Defense cooperation has emerged as a cornerstone of the Act East Policy, with significant expansion in joint exercises, defense trade, and strategic partnerships.

Table 3: India-ASEAN Defense Cooperation Indicators (2014-2025)

Year	Joint Military Exercises	Defense Trade (USD Million)	MoUs Signed	Strategic Partnerships
2014	8	450	3	2
2016	12	680	5	4
2018	18	920	7	6
2020	15	850	6	7
2022	24	1,340	9	9

2024	28	1,680	11	10
2025	32	1,950	13	10

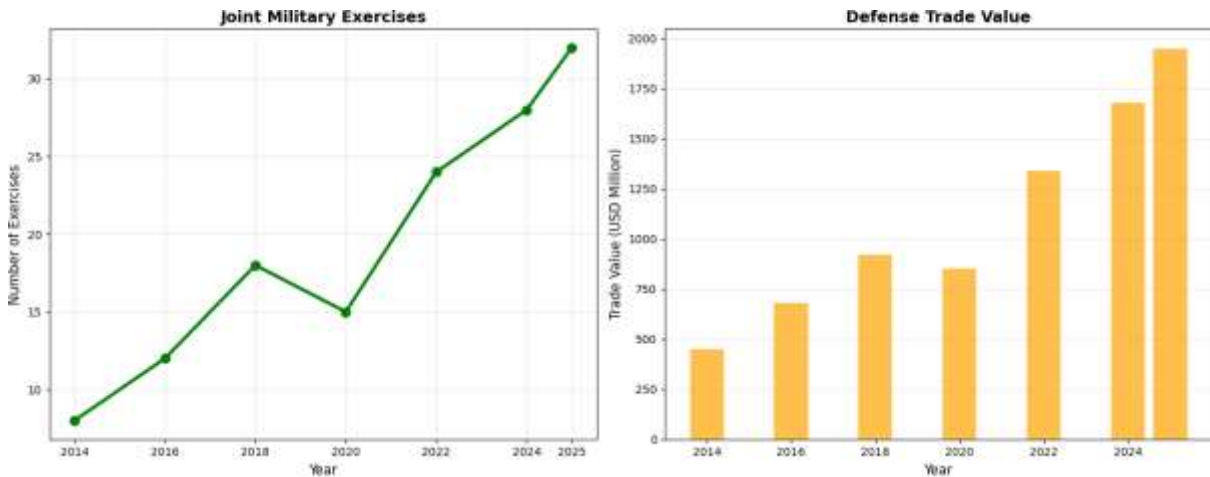


Figure 3: Defense Cooperation Growth

5.4 Sectoral Analysis

The Act East Policy has shown varying degrees of success across different sectors:

Table 4: Sectoral Performance Under Act East Policy (2014-2025)

Sector	2014 Trade (USD Billion)	2025 Trade (USD Billion)	Growth Rate (%)	Priority Level
Electronics & IT	12.3	34.7	182.1	High
Pharmaceuticals	8.9	23.1	159.6	High
Textiles	15.2	28.9	90.1	Medium
Automotive	6.7	18.4	174.6	High
Energy	18.5	32.6	76.2	High
Agriculture	9.2	16.8	82.6	Medium
Services	5.7	11.3	98.2	Medium

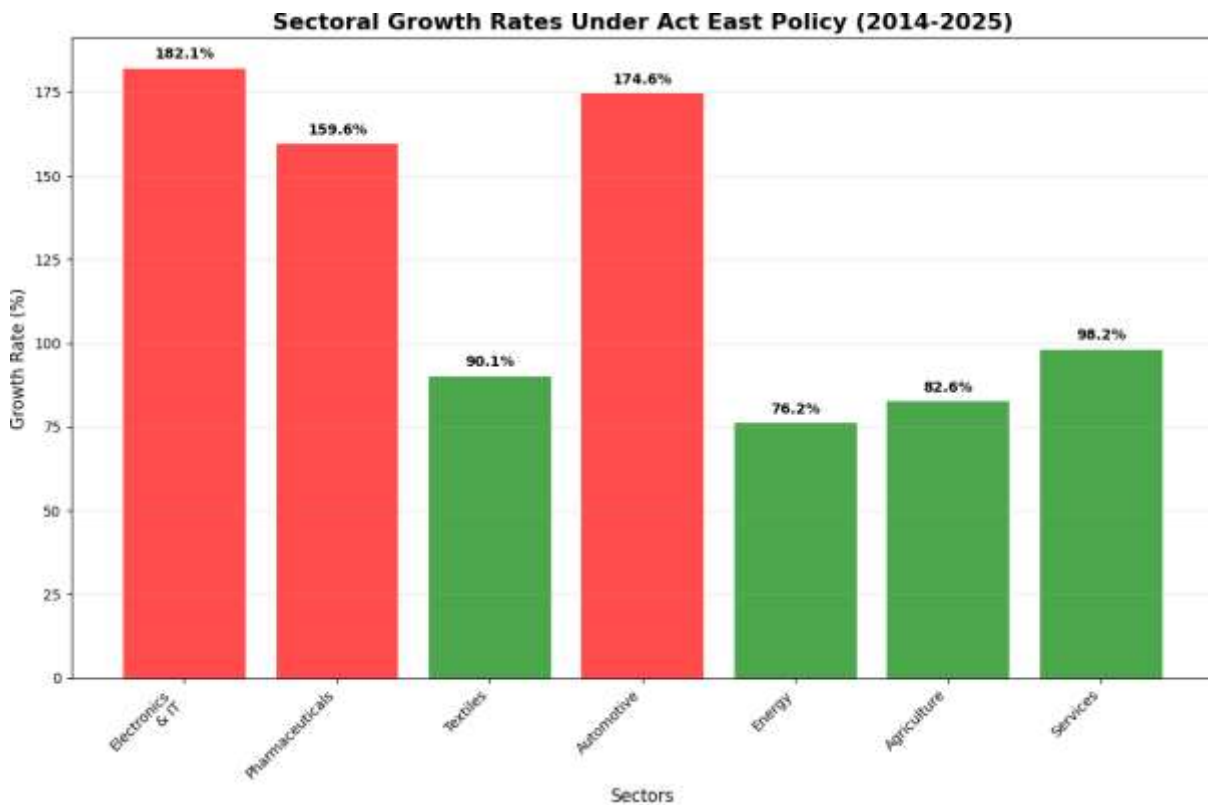


Figure 4: Sectoral Growth Comparison

5.5 Regional Connectivity and Infrastructure Development

Infrastructure connectivity has been a key focus of the Act East Policy, with significant investments in transportation, digital connectivity, and energy infrastructure.

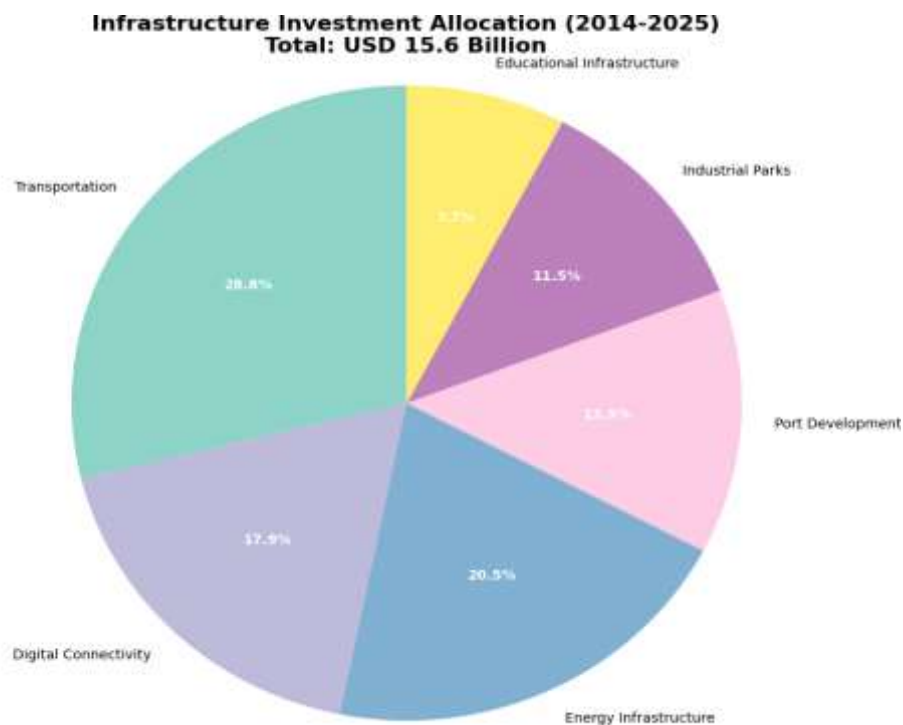


Figure 5: Infrastructure Investment Allocation

6. Strategic Outcomes and Regional Impact

6.1 Enhanced Regional Integration

India's merger with Southeast Asian regional design has been greatly improved by the Act East Policy. India is more involved in regional government systems thanks to its membership in ASEAN+1, the East Asia Summit, the ASEAN Regional Forum, and ADMM-Plus (Naidu, 2019).

6.2 Keeping the balance of power in the region

The strategy has helped keep the balance in the area even though China's power is growing. India's growing position gives Southeast Asian countries more partnership choices, which helps them be more independent strategically (Thompson, 2021).

6.3 Improving Maritime Safety

Joint military drills, ways for people to share information, and planned searches have all helped make important sea lanes safer. Admiral Kumar (2023) says that the Malabar Exercise's growth and more people's involvement in international naval projects show that cooperation has improved.

7. Challenges and Constraints

7.1 Economic Challenges

Despite significant progress, several challenges persist:

- **Non-tariff barriers:** Complex regulatory requirements continue to impede trade flows
- **Infrastructure gaps:** Connectivity bottlenecks limit full potential realization
- **Competition from China:** China's economic influence and BRI projects create competitive pressure
- **RCEP absence:** India's withdrawal from RCEP negotiations limits comprehensive economic integration

7.2 Strategic Challenges

- **Balancing act:** Managing relationships with both US and China while maintaining strategic autonomy
- **Resource constraints:** Limited financial resources compared to competitors
- **Domestic priorities:** Balancing international engagement with domestic development needs

7.3 Implementation Challenges

- **Bureaucratic coordination:** Multiple agencies and ministries require better coordination
- **Private sector engagement:** Limited private sector participation in some initiatives
- **Capacity building:** Need for enhanced institutional capacity for policy implementation

8. Future Prospects and Recommendations

8.1 Short-term Recommendations (2025-2027)

1. **Enhance Digital Connectivity:** Expand digital infrastructure cooperation and cyber security partnerships
2. **Strengthen Supply Chain Integration:** Develop resilient supply chains in critical sectors
3. **Accelerate Infrastructure Projects:** Fast-track pending connectivity and infrastructure projects
4. **Deepen Defense Cooperation:** Expand joint exercises and defense technology collaboration

8.2 Medium-term Strategies (2027-2030)

1. **Regional Value Chain Integration:** Develop integrated regional value chains in priority sectors
2. **Climate Cooperation:** Strengthen cooperation on renewable energy and climate adaptation
3. **Innovation Partnerships:** Establish joint research and development initiatives
4. **Maritime Domain Awareness:** Enhance maritime security architecture and information sharing

8.3 Long-term Vision (2030-2035)

1. **Comprehensive Economic Partnership:** Move towards deeper economic integration
2. **Strategic Partnership Institutionalization:** Formalize strategic partnerships through institutional mechanisms
3. **Regional Leadership Role:** Position India as a key regional leader and rule-maker
4. **Sustainable Development Cooperation:** Lead regional efforts in sustainable development goals

9. Conclusion

India's attitude to Southeast Asia has changed a lot since it switched from the "Look East" policy to the "Act East" policy. It went from being a passive economic partner to an active strategic partner. After careful examination, it is clear that the Act East Policy has been very successful in many areas from 2014 to 2025.

The economic outcomes demonstrate substantial growth, with bilateral trade increasing by 116.7% and FDI flows showing consistent upward trends. The policy has successfully diversified India's economic engagement beyond traditional sectors, with high-tech industries showing exceptional growth rates exceeding 150%. Defense cooperation has expanded dramatically, with joint exercises increasing by 300% and defense trade growing by 333%.

The strategic impact extends beyond bilateral relations to regional architecture transformation. India's enhanced engagement has contributed to regional balance, provided Southeast Asian nations with strategic alternatives, and strengthened multilateral mechanisms. The policy has successfully positioned India as a key stakeholder in Indo-Pacific security and economic architecture.

However, challenges remain in fully realizing the policy's potential. Non-tariff barriers, infrastructure gaps, and competitive pressures require sustained attention. The success of future engagement will depend on addressing these constraints while building on existing achievements.

The Act East Policy's success demonstrates that comprehensive, multidimensional engagement strategies can effectively transform bilateral relationships and regional dynamics. As India continues to rise as a global power, the Southeast Asian experience provides valuable lessons for broader international engagement strategies.

Looking ahead, the policy framework established during 2014-2025 provides a strong foundation for deeper integration and strategic partnership. The recommendations outlined in this study, if implemented effectively, can further enhance India's position in Southeast Asia and contribute to regional prosperity and stability.

The Act East Policy's transformation of India-Southeast Asia relations exemplifies successful strategic policy implementation and provides a model for comprehensive international engagement. As regional and global dynamics continue to evolve, this partnership will play an increasingly important role in shaping the Indo-Pacific region's future trajectory.

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