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India-ASEAN relations set to grow as India develops economically

By Asha Popatlal, Channel NewsAsia | Posted: 04 November 2009 1803 hrs

SINGAPORE: India-ASEAN relations are poised to grow as India develops economically, with the private sector likely to lead the way.

That was one of the key thrusts in the keynote address by Singapore's Law Minister, K Shanmugam, at the 5th International Conference on South Asia on Wednesday.

Asia's third-largest economy has weathered the crisis better than most countries and is expected to grow 6 per cent or more this year – a rate second only to China, among the region's major economies.

"How will India do, post-crisis? The answer is fairly straightforward. The crisis is transient, temporary. Indian growth is a permanent story," said Mr Shanmugam.

Still, despite the optimism, analysts said India has a number of issues - such as infrastructure reform - to deal with.

"As outsiders, we have to accept the system as it is and work with it. Make a realistic assessment of what is doable in India, given the nature of the political system. Stop proscribing, theorising and romanticising.

"Understand the difficulties and accept the realities. Then there will be no gap between expectations and actualisation. Or at least, the gap will be smaller," the law minister said.

Going forward, prospects for the Asian region are bright, with ASEAN now India's third-largest trading partner.

Singapore has also become India's most important ASEAN trading partner, accounting for US\$15.5 billion or 40 per cent of trade.