

# **THE INDIAN OCEAN DIALOGUE – AN IDEA WHOSE TIME HAS COME**

## **Launch of the Indian Ocean Dialogue Government House, Perth, Tuesday 6<sup>th</sup> July Future Directions International**

**Your Excellencies,**

**Governor of Western Australia, Dr Ken Michael,**

**Former Governor General, General Michael Jeffery A.C., A.O.,**

**Foreign Minister Stephen Smith,**

**Minister for Resources and Petroleum Norman Moore, representing the  
Premier of Western Australia, Mr. Barnett,**

**Lord Mayor of Perth, Rt.Hon. Lisa Scaffidi,**

**General John Hartley,**

**Gentlemen, Ladies,**

It is truly an honour for me, and a privilege to give the inaugural address at the launch of the Indian Ocean Dialogue, before this very august audience, in the historical setting of Government House, at the Indian Ocean City of Perth.

It is good to see that Future Directions International, which has been an important interlocutor for Indian strategists and opinion makers visiting Perth, has decided to launch the Indian Ocean Dialogue, especially now, at this point of time when all eyes are turned on this region and how the future plays out here, in the part of the world.

One of my many distinguished predecessors as High Commissioner of India to Australia was Mr. Hamid Ansari, now the Vice President of India. I called on him before taking up my assignment in Australia. He shared his experiences with me and then he said *"When you go to Perth, go and look westwards over the Indian Ocean - you can almost see the lights of Chennai shining faintly in the far distance"*.

I think what my Vice President was telling me was that Australia was not a country far away, but actually in the extended neighbourhood.

And this was one of the points, the point that we are countries in each other's extended neighbourhood, that I made when I presented my credentials nearly 3 years back in Canberra to His Excellency, the former Governor General, Gen Michael Jeffery, who I know has travelled here from Mackay to be here today at the launch of the Indian Ocean Dialogue, and who I thank for his graciousness in doing so.

This recurring theme, of being in the extended neighbourhood was made by Foreign Minister Stephen Smith, who within hours of being sworn in as Foreign Minister and addressing the diplomatic corps for the very first time in DFAT, said as follows:

*"The great outlying State of Western Australia underlines the importance of international trade to our nation's economic and social prosperity. Western Australia looks naturally to the Indian Ocean. When the sun sets in the West, it sets on the Indian Ocean, not the Pacific. I believe it is essential to ensure that Australia looks to our important neighbours and partners to our west. India's remarkable development only encourages me to bring us closer together. I look forward to working with the Indian Government and the Indian people to add depth and vigour to our relationship".*

And I would also like to quote what Foreign Minister Smith said, here in Perth, before his first ever visit to India, the first of 3 visits he made in the past 3 years:

*"It is under-appreciated that Perth and Chennai are closer to each other than Sydney is to Seoul, to Shanghai, or to Tokyo".*

I remember how struck I was with this particular observation when I first heard it and how it always resonates, especially with an Indian audience or interlocutors. When I quote this particular observation of the Australian Foreign Minister, the

reaction I generally get is *"Say again"*; and then, I can almost see the listener recalibrating and resetting his or her perception of the geopolitics of the region.

I also note that the Deputy Leader of the federal Opposition, the Honourable Julie Bishop made an incisive speech about the Indian Ocean a few weeks ago.

The fact that Perth, as an Indian Ocean city, will be hosting the next Commonwealth Heads of Government Meeting in October next year is significant and will contribute to the growing attention the world is paying to the Indian Ocean.

I would like to divide what I have to say in 4 parts:

A. I would like to set the scene, of what is happening in our region today, at this moment in time.

B. I would like to go into some of the rich history that the Indian Ocean region inherits.

C. I would like to dwell a little on the present frameworks for interaction in the Indian Ocean region and how India and Australia and working together, both bilaterally, and in the context of these frameworks.

D. And finally, I would like to share with you how India sees her role evolving, her vision for the region.

#### **A. THE INDIAN OCEAN REGION, AT THIS MOMENT IN TIME**

That we are in a period of ever increasing change, when resurgent economies outside the traditional circles of global economic dominance are setting new paradigms of economic growth and development, is evident.

Also evident is the fact that we live in an increasingly global village, shrunk by modern technologies of instant telecommunications, internet and transport. Trade, tourism, capital and technology flows; out-sourcing, off-shoring of businesses; sourcing of energy, food and other commodities from distant lands; waves of migration of large number of people across borders seeking better opportunities; as also the impact of pandemics, natural disasters, terrorism and climate change; all these have cross border global implications. Clearly, whether you are a resident of Delhi or of Darwin, of Bali or of Cape Town, or for that matter Perth, the lives of peoples on this planet are interdependent as never before.

The nation-state is still the basic unit of decision making, and competition among states for power, influence and resources continues. It continues however, within the framework of the globalised and interlocked nature of virtually all our interactions.

This is as true of the Indian Ocean Region as it is of any other part of the world; perhaps even more so , notwithstanding the disparate nature of the economies in the Region, from some of the richest and fastest growing economies in the world to some of the least developed and yet others, deemed 'failed' states.

The IOR has 56 littoral and hinterland states, most of which are developing countries. It encompasses a huge diversity, covering nations from Africa, West Asia, South Asia and South East Asia to Australia and the island states. The countries also differ significantly in size, in area, in endowment in strategic minerals and other natural resources, in human resources and technological capacities.

There is also a wide diversity of languages, cultures and religions. Buddhism, Christianity, Hinduism, Islam and other religions all have significant numbers of adherents in the region. Islam is perhaps the most widespread.

There are several Islamic countries in the IOR, from the Arab countries in the west to Iran, Pakistan and Afghanistan, and over to Indonesia. And of course you have

India in the centre of the Region, a nation with a population 80% Hindu, 14% Muslim and 2% Christian, containing the world's second largest population of Muslims, second only to Indonesia.

A substantial Indian Diaspora and community of persons of Indian Origin, Hindu, Muslim and Christian, live in almost every single country in the littoral of the IOR, contributing to the economic progress of the various countries they have chosen to call home. Of 25 million persons of Indian origin around the world, nearly half - an approximately 12 million strong Indian diaspora reside in the littoral of the Indian Ocean, including half a million in Australia.

The Region is rich in strategic raw materials; by one estimate, the IOR holds 65% of the world's known reserves of oil, 31% of the gas and accounts for more than half of the world's oil exports, The countries of this region are the largest producers of rubber, tea, spices, and jute. Important minerals produced in the IOR include manganese, cobalt, tungsten, coal, iron ore, uranium, tin, gold, and diamonds.

The IOR accounts for the transportation of the highest tonnage of goods in the world, with almost 100,000 ships transiting its expanse annually.

To the east, the Straits of Malacca, Lombok and Sunda connect the South China Sea to the Indian Ocean. Amongst these, the most important is the Malacca Strait, through which more than 60,000 vessels transit annually. Over 10 million barrels of oil are transported through these straits to Japan, South Korea, China and other Pacific Rim countries every day.

To the west, the most important sea lanes pass through the Bab-al-Mandeb and the Strait of Hormuz which connects the Persian Gulf to the Indian Ocean.

The Indian Ocean, the third largest body of water in the world, is also the locus of 70% of the world's natural disasters.

Some of its key areas are also affected by terrorism, the threat of proliferation of weapons of mass destruction, piracy, gun-running, human and drug trafficking, mass migrations and displacement of peoples from their homes. Despite the best efforts of governments, terrorist groups have established deep roots and have established trans-oceanic connections, often with far more efficiency and rapidity than those presently extant between some nation-states of the region.

## **B. THE HISTORY**

The world's earliest civilizations in Mesopotamia (*beginning with Sumer*), ancient Egypt, and the Indian subcontinent (*beginning with the Indus Valley civilization*), which began along the valleys of the Tigris-Euphrates, Nile and Indus rivers respectively, all developed around the Indian Ocean. The Indian Ocean has had a long history of trade and exchange, dating to these ancient times.

Ships plied the Indian Ocean for trade and commerce far earlier than they did the Atlantic or Pacific Oceans. The powerful monsoons meant that ships could sail east early in the season, wait a few months and then return westwards. The Arabs, even while being a desert people, have a long history of seafaring, and at one time in the past, the Hajj, besides being a major religious event was also important for trade and commerce.

During the first and second centuries, trade relations developed between Rome, Egypt and the Tamil kingdoms of the Cheras, Cholas and Pandyas in Southern India.

Then you have Admiral Zheng He of the Ming Dynasty and his several voyages to the IOR in the early 15<sup>th</sup> century; Christopher Columbus, looking for India and the Indian Ocean and landing on the American continent instead, in 1492; Vasco da Gama, who rounded the Cape of Good Hope and became the first European to sail to India; in fact da Gama, sailing with the monsoon winds and assisted by the Arab

navigator Ibn Majid, took 23 days to cross the Indian Ocean from Malindi near Mombasa to Calicut on the Malabar coast of India, to arrive on the 20<sup>th</sup> of May, 1498. Forced to leave, a few months later, he set sail in August and by ignoring the monsoon wind patterns, took 132 days to complete the return journey.

European ships, armed with heavy cannon, quickly came to dominate trade in the region; Portugal followed by other European powers in the mid 17th century - the Dutch East India Company, France and Britain.

The story of the Indian Ocean is in many respects akin to the story of India – it is a story of great ideas, great cultures, great diversity and pluralism and of great connectivity. Pluralism and diversity is to be found in everything in India and in everything in the Indian Ocean Region.

This is an India that was on the route taken by the first humans out of Africa, perhaps 80,000 years ago when they trekked down along the shores of the Indian Ocean from the Horn of Africa to Kanyakumari at the southern tip of India and went on to the Andamans, to Indonesia and Australasia. Today, you can still find these tribes in India, who may be descended from the very first people out of Africa – the Korawa, the Yanadi Irula and the Gadaba – older perhaps than even the Dravidian people around them, carrying the M130 gene from the first wave of migration of modern humans out of Africa.

Peoples have followed through the millennia, sailing the wide traverses of the Ocean to South, West and East India, as peaceful migrants or traders or explorers – Hippalos the Greek, Roman and Phoenician merchants in the spice trade, Arab sailors from the Gulf, the Chinese, followed some decades later by the Europeans – a ceaseless movement and intermixing of waves of people, religions and cultures that all make India what it is today, the Indian Ocean Region what it is today, a region containing ancient civilisations and philosophers who have travelled here in the pursuit of knowledge and greener pastures, a region of great empires and above all, of great ideas.

And how these great ideas have spread.

Take for instance, the *Ramayana* and the *Mahabharata*, India's great epics dating back to the 8<sup>th</sup> century BC, as old if not older than the *Illiad* and the *Odyssey*, see how it is still a living narrative, its Gods worshipped in daily rituals performed with enthusiasm and with faith, celebrated in theatre and in the arts, not just in India where they took birth but all over South East Asia - in Thailand, in Malaysia, in Singapore, and even in Islamic Indonesia, to this very day.

Then there is our elephant headed God, Ganesh – the God of auspicious beginnings and good luck, beloved by people in India and all over South East Asia, from Thailand to Vietnam.

In India there is unity even in this incredible diversity, a diversity and a pluralism rooted for millennia in an open society that has welcomed everybody from St. Thomas, one of the original 12 disciples; to Jews fleeing the destruction of the first temple, first by the Babylonians, and then the Romans; to Zoroastrians who fled the advent of Islam in ancient Persia and arrived on the shores of Western India in 936 CE; to Islam itself, which came peacefully to the South of India, through Arab traders.

We are an ancient sea-faring nation, as the four thousand year old port at Lothal and other Indus Valley finds show. It was the sea that was at one point in our history, the major means of our links with the world to the west and the east. The earliest travel and trade with China was by the sea route, and this was how Buddhism first travelled to China and East Asia in the first millennium.

The prosperity and security of India's medieval southern kingdoms – the Cholas and Pallavas, were based on a maritime strategy encompassing South East Asia. Our mindset drifted in a continental direction much later, during the centuries of colonial rule, when as our National Security Adviser, Shivshankar Menon recently put it, we



*“.....developed continental fixations, despite having longer maritime boundaries than those on land”.*

Our world view started getting back to where it was in historical times, with our “Look East” policy, initiated in the 1990s. The 90s were also the years when our economic reforms started, which set the Indian economy on its present path with its high rates of growth and lead to greater opening to and engagement with the world and a new emphasis on trade and the ocean surrounding us.

### **C. INDIA TODAY**

Today, India has emerged as the third largest economy in Asia, a trillion dollar economy that has joined the ranks of the top ten economies of the world. In a knowledge and technology driven world, India has demonstrated certain unique resiliencies – our strengths in IT and R&D, for instance. One of the most noticeable features of India’s economic growth is that it is driven primarily by domestic demand.

The challenges that we face are many – the challenges of addressing poverty, illiteracy, unemployment, healthcare for millions; bridging the rural-urban and regional divides; of achieving an inclusive growth that leads to sustainable development.

In fact, the very same challenges, on a much larger scale, that many of the other countries in the IOR face.

The success of the Indian experience – the experience of a large nation developing within the framework of an open society and an open economy, committed to the protection of fundamental human rights and the rule of law, as a plural, secular democracy – has relevance to many parts of the world and especially the IOR today, particularly to those countries looking to do the same.

India thus occupies a critical position in the Indian Ocean Region, politically as well as geographically. Geographically, it sits right in the middle of the dense network of sea-borne energy and trade in the IOR, astride sea lanes of communication, critical for the world economy, and especially the major economies.

Politically, when you think of some of the important issues that occupy India – be they the 26/11 terrorist attacks on Mumbai in 2008 or the end of the Sri Lankan civil war, piracy off the Horn of Africa, or the rise of China, the securing of our lines of energy and trade supply, or the instability in our periphery - each of them has involved the Indian Ocean or its littoral countries in one way or the other.

Given all these factors, it is natural that the Government of India recognises the significance of the IOR in our foreign policy and is attaching growing importance to it.

India's active quest for stronger ties with significant Indian Ocean littorals -- Australia, ASEAN and the GCC countries, Mauritius, South Africa and others, is indicative of this, as is the fact that over the last several years we have worked with many countries in the Region, including Australia, to enhance our naval cooperation, conducting joint naval exercises and working on issues of maritime security.

## **IOARC**

On the economic side, the Indian Ocean Rim Association for Regional Cooperation or IORARC, of which India and Australia are two of the founding members, was set up in the mid 90s to promote economic and technical cooperation and increase trade and investment in member states in the region. The IOR-ARC has made limited progress till now, but it is our hope that this is set to change. India becomes Chair of the Organisation in 2011; we welcome the nomination of Australia as Vice-Chair and look forward to working closely with it in taking IORARC forward in an action oriented manner. We hope to do this through focussed

cooperative projects in areas such as skills development and capacity building, small scale farming, fisheries and small & medium enterprise.

As two countries which share much in common – common interests and common values, and an ever growing engagement over an increasing range of issues, it is my belief that there is a great deal that our two countries can do together in IORARC.

## **IONS**

Then we have the Indian Ocean Naval Symposium (IONS), intended to be a cooperative construct, at every level. Its primary aim is to sustain a regionally relevant, consultative forum within which the navies (and/or the principal maritime agencies responsible for maritime security) of the littoral States of the Indian Ocean Region, can discuss and work towards a shared understanding of issues and concerns relevant to the Region; the strengthening of capabilities of IOR nation-states to address challenges; and, most importantly, the establishment and promotion of a variety of trans-national, maritime, consultative and cooperative mechanisms, designed to address and mitigate maritime security-concerns of the Region.

Australia is a member of the IONS too and both our countries are working together on a range of issues that have been outlined in the Joint Declaration on Security Cooperation that we committed to in November last year, when we also agreed to take the relationship to the level of a strategic partnership. Our two countries share the desire to enhance and maintain peace, stability and prosperity in the Region. We are in the process of building a broad knowledge partnership, including in addressing the 'grand challenges' of the day – energy, food and water security, health and the environment. Our trade is growing rapidly; we are in the process of discussing the prospect of a FTA, which should see trade and investment growing more rapidly still and strengthening even further, the underpinning of a relationship between two natural partners.

## **D. THE FUTURE**

It is in precisely this spirit of collaborative effort that India would like to work with many of the other important countries in the region and especially in our neighbourhood, and enlarge the historical connectivities as well as establish new ones.

From India's perspective, the goal of ushering in a peaceful, stable and prosperous neighbourhood is predicated on enabling each of our neighbours to pursue the shared objective of the development of our peoples.

We do not see this as a zero sum game but as a cooperative endeavour, requiring collaboration rather than confrontation, so as to enable each of us to grow. We see this as a natural choice voluntarily made; a corollary of the inter-dependent world we live in. We believe that our strengths place us in a unique position to actively support the socio- economic development in our region.

We also believe that a fast growing India is a factor for stability in the region and especially in its immediate troubled neighbourhood. India represents a large and growing market for goods and services, an attractive destination for investment as well as a growing source of foreign investment and a cost effective hub for manufacturing, services and research & development.

It has often been observed that the ongoing shifts in the balance of power among nation-states in Asia or for that matter, in the IOR, are not anchored in institutions or collective arrangements. This may actually turn out to be to our advantage at this point in time. While institutions in other regions seek new roles for themselves, we in this Region, are free to start building the open, plural and flexible architecture required by changing times. In fact the very diversity of our Region allows us the freedom to view the challenges themselves in several ways and come up with several possible solutions, depending on the challenge and the context. For that to

happen, we need to dialogue with each other frequently and on all aspects. And it is here that think tanks such as Future Directions International have an important part to play.

Most importantly, we, the states in the IOR, need to build the habits and experience of cooperation that will enable us to deal with the challenges that we confront, and to continue, in our own enlightened self interest, the great historical traditions of connectivity, open trade and commerce of which the IOR is such a good example.

It is India's intention to continue to participate actively and constructively in this process, taking place in this part of the world and to continue to work with all its partners, partners such as Australia, in realising our common vision of a prosperous and peaceful Indian Ocean Region.

Thank You.