

Institute of Chinese Studies

# WEDNESDAY SEMINAR

*India and Taiwan's  
Converging Interests in  
Southeast Asia: The Case of  
'Act East' and 'New  
Southbound' Policies*

## EXECUTIVE SUMMARY

Speaker :

**Karl Chee Leong Lee**

*16 October 2024*

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**Speaker:** Dr. Karl Chee Leong Lee, Senior Lecturer, Institute of China Studies, University of Malaya, Kuala Lumpur; Advisor, Taiwan Chamber of Commerce in Malaysia.

**Chair:** Dr. Aravind Yelery, Associate Professor, Centre for East Asian Studies, School of International Studies, Jawaharlal Nehru University, New Delhi; and, Honorary Fellow, Institute of Chinese Studies, New Delhi.

**Date:** 16 October 2024

**Venue:** Zoom

- The seminar explored the convergence of India's Act East Policy (AEP) and Taiwan's New Southbound Policy (NSP) within the framework of Indo-Pacific cooperation and in align with the ASEAN Outlook on the Indo-Pacific (AOIP). Dr. Lee's presentation identified strategic intersections between these policies and proposed avenues for collaboration among India, Taiwan, and ASEAN.
- Dr. Lee structured his presentation into four parts: the background of India-ASEAN-Taiwan relations, converging strategic interests, frontiers of cooperation, and challenges to tripartite collaboration.
- He highlighted that while India is among ASEAN's top ten trading partners, it suffers from a trade deficit. Conversely, Taiwan enjoys a trade surplus with ASEAN and has a strong business presence in the region, particularly in Vietnam, Singapore, and Thailand, despite limited formal cooperation with ASEAN.
- Dr. Lee emphasised that the convergence of strategic interests is largely driven by the US-China rivalry and the subsequent trend of de-risking from China. This has redirected capital flows to ASEAN in sectors such as semiconductors and electric vehicles (EVs). Countries like Indonesia and Vietnam are emerging as key players in supplying minerals for EV production and fostering the development of regional supply chains.

- Other critical areas of convergence include combating climate disasters, addressing global pandemics, and tackling poverty and malnutrition in less-developed Southeast Asian countries like Laos, Cambodia, and Myanmar.
- Dr. Lee highlighted some important frontiers of cooperation. Regarding semiconductor production, India and Taiwan can collaborate on integrated circuit packaging and supply chain development in Southeast Asia, with Vietnam and Thailand identified as potential hubs. Leveraging India's thriving startups and Taiwan's infrastructure, both nations could assist ASEAN in building AI capacities, including language processing, data centers, and memory chip production. A hybrid project combining India's digital public infrastructure (DPI) and Taiwan's digital social innovation (DSI) could be implemented in the Philippines, addressing economic and social challenges through technological integration.
- The speaker also highlighted a few challenges to cooperation, including the reluctance of many ASEAN countries to align with the US-EU concept of de-risking supply chains from China, as they prefer to opt for a neutral stance that prioritises their national interests. There is also a lack of a robust partnership ecosystem, akin to the ASEAN-China cooperation, which hinders tripartite cooperation. Furthermore, varying levels of commitment to the 'One-China' principle among ASEAN nations influences the scope of Taiwan's engagement in the region.
- The speaker concluded by stating that Vietnam, Indonesia, the Philippines, and Thailand have emerged as the most promising partners for India-Taiwan-ASEAN cooperation. Lastly, for India to strengthen its trade relations with ASEAN, it must focus on sectors that resonate with regional interests, such as spices, which have a universal appeal across Southeast Asia.

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