

Address by

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on

“Reinvigorating IOR-ARC”
Hosted by
Indian Council of World Affairs
and the Indian Ocean Research Group

at

Indian Council of World Affairs,
Sapru House, New Delhi
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Ambassador Devare, Director General, Indian Council of World Affairs,
H.E. Morteza Sarmadi, Director General, IOR-ARC,
Professor Dennis Rumley, Chairman, Indian Ocean Research Group,
Distinguished guests, Ladies and gentlemen

It is a great pleasure for me to be here. I would like to thank Ambassador Devare for inviting me. I must compliment ICWA and the Indian Ocean Research Group for taking the initiative to conceive, and so thoughtfully plan and organize this international Conference on Reinvigorating Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). I am delighted to see here so many distinguished scholars, experts and analysts who have experience and interest in issues connected with the Indian Ocean Region. Their participation in this conclave over the next two days, encourages me to believe that there will be a meaningful outcome with a promise of new ideas to look at new and old issues. Let me extend a very warm welcome to all participants. To those coming from outside, I wish a comfortable and enjoyable stay in Delhi.

2. This programme would enable us take stock of the Indian Ocean Rim Association for Regional Co-operation (IOR-ARC) and discuss its future. The event is very timely as the Government of India will host the next IOR-ARC Council of Ministers' meeting in September 2011. I expect stimulating discussion and brainstorming at this Conference with a view to generate an out-line that will impart a new vigour and vitality to the Association. As the incoming Chair of the IOR-ARC, we look forward to benefit from your collective wisdom and constructive ideas.

3. The people that inhabit the areas which form the coastline and shores of the Indian Ocean, interacted with each other and contributed to each other's welfare through trade much before the nation States came into being. Therefore, these ties stretch across millennia. Their trade, encouraged by the seafaring skills and shouldered on the monsoon winds, brought about cultural exchanges across the vast body of water, stories of how people lived and their beliefs, their food habits, their strengths, their weaknesses, and their value systems. Over the years, we have called this interaction a civilisational relationship. While each nation has emerged with a distinct identity, the interaction has also led to some commonality and bonding.

4. In the concept of the IOR-ARC, we are only trying to give an impetus to this tradition and utilise and channel the impulses that have emerged to help people of the region to improve their living standards. The basic motivation remains the same, which is to see how we can come together to pool our resources to increase our welfare through trade, investment and technology transfer. How can we equip our young people and coming generations to be more productive through education and acquisition of skills. How can we promote understanding by appreciation of each other's history, culture and traditions. This, then, is the endeavour of the IOR-ARC.

5. In the IOR-ARC, we have member States from three different continents, at different stages of development and those that belong to different regional groupings. But the idea of the Indian Ocean uniting us was strong enough, not only to bring us together but sustain the grouping through a period when difficult economic conditions had given rise to insular inclinations. As India prepares to moor this grouping for the next two years, we would like to take up the challenge of converting this abiding interest of people of Indian Ocean, for realizing their potential for betterment and for putting together their synergies and the complementarities for the common good.

6. The Indian Ocean, world's third-largest ocean, may well be the most important region in the coming decades as current and emerging powers competing for resources and nations along its rim face domestic and potentially destabilizing challenges. As a much acclaimed new book by Robert Kaplan, which focuses on the Indian Ocean points out "the Greater Indian Ocean...may comprise a map as iconic to the new century as Europe was to the last one" and that the Indian Ocean will "demographically and strategically be a hub of the twenty-first century world."

7. The Indian Ocean region (IOR) is a critical economic highway of the world. IOR is contiguous to one of the major oil producing regions of the world, and apart from the energy lifelines that cross the Indian Ocean, major trade routes also pass through this region. About 40 percent of seaborne crude oil passes through the Strait of Hormuz, 50 percent of the world's merchant fleet passes through the Strait of Malacca, half of the world's container traffic passes through the Indian Ocean, and the

rim land accounts for 70 percent of the traffic of petroleum products for the entire world. The Indian Ocean rim is also rich in resources, ranging from fisheries to precious minerals, from agricultural wealth to valuable human technical expertise. The region represents close to two billion people, about one-third of the world's total population. The value of the intra-trade between the member states of IOR-ARC is in the region of \$ 777 billion and has the potential to grow rapidly. There are also items in which the region as a whole can become self sufficient. The strategic value of the Indian Ocean Rim, therefore, is beyond doubt, as it constitutes an enormous asset to international traders, governments and fishing communities alike.

8. Indian Ocean is unique and different from the Atlantic and Pacific Oceans, in the sense that it is closed to the north by the Eurasian continent and that maritime communication to the outside world is mostly restricted to a small number of choke points. All marine traffic is funnelled through these very narrow passages as they present time and cost savings over other routes.

9. Since the opening of the Suez Canal in 1869, the main route from Indian Ocean to the Atlantic Ocean, Europe and Northern Africa is through the Gulf of Aden, the Ban-el-Mandeb, the Red Sea, the Gulf of Suez and the Suez Canal to the Mediterranean Sea. The other main door to and from the Indian Ocean is through the Straits of Malacca and Singapore which lead to the South China Sea, Pacific ocean and Northeast Asia. Approximately 30% of the world's trade and 20% global oil demand transit through the Strait of Malacca and Singapore towards Japan, South Korea, China, and other Pacific Rim countries.

10. Maritime security environment in the Indian Ocean region at present is fragile. The region is also marked by extreme economic diversities and is subject to a variety of asymmetric security threats that are short of State-to-State conflict and yet present an equal if not greater threat to sea lanes.

11. Weak governance and some areas mired with instability at the IOR littorals compound the maritime security milieu. The Horn of Africa is a particularly worrying geographical area and a source of concern at a number of levels. Rampant piracy and armed-robbery at sea are manifestations of an increasingly worrisome

situation. Complicating the maritime threat picture is indication of a tactical nexus between piracy and terrorism. Fragile maritime security environment in the IOR coupled with limitations of littoral nation in enforcing oceanic governance in the region critically influences the global concern for the sea lane security in the Indian Ocean.

12. India and the Indian Ocean are two inseparable entities. India's past, present and future are inextricably linked with the Indian Ocean. Throughout history India has been interacting with the lands and the peoples of its littoral states through religion, culture and other means. The Ocean has had a key place in our mythology, history, culture and economic life and has shaped and influenced the worldview of the people of India and contributed to the enrichment of Indian culture, trade and civilisation. In the coming years, as India's economic growth accelerates, and the country becomes increasingly interconnected with and interdependent on the outside world for its economic development and wellbeing, and fulfilment of essential energy and other needs, the centrality of the Indian Ocean Region in India's domestic as well as foreign policy is going to be ever more conspicuous.

13. Nearly 80% of India's imported oil transits through Straits of Hormuz. At current levels of consumption, the oil import dependence of India is expected to reach over 90 percent by 2020. India is likely to be the world's single largest importer of oil by 2050. Ensuring the unhindered flow of oil through sea lanes of Indian Ocean will be a major maritime issue for India. The presence of approximately 6 million Indian expatriates in the Gulf who remit around US\$ 30 billion annually is also an important factor in India's foreign policy. Similarly, there is a large population of our expatriates in South and East Africa, South East Asia as well as an increasing presence in Australia.

14. Prevention of illegal immigration and infiltration of terrorists using sea routes; and prevention of cross border activities such as smuggling and other illegal activities like fishing, mining in the exclusive economic zone of India are also going to be increasingly serious issues from the overall Indian policy perspective.

15. As the topic of this Conference itself suggests, the IOR-ARC needs to be reinvigorated in order to realize its true potential. We as well as other members of

IOR-ARC are conscious of this imperative. In fact, over the past three years a number of steps have been initiated to reform and activate the Association. A revised Charter of IOR-ARC, Rules of Procedures, Staff Regulations and Financial Regulations were adopted in August 2010. The IOR-ARC Special Fund was established in 2006; its administrative arrangements are being revised.

16. Three flagship projects have been launched: IOR Regional Centre for Science and Transfer of Technology in Tehran (RCSTT) was established in 2008; the Fisheries Support Unit in Muscat has also become operational and the IOR-ARC Maritime Transport Council also in Oman, is in the pipeline. Yemen also announced its plan to establish a Regional Maritime Center with the support of the International Maritime Organisation. Further, Malaysia has indicated interest in establishing an IOR-ARC Centre for Multilateral Education. An Open University in Mauritius is also proposed to be set up with Indian technical assistance; and draft Constitution of the University Mobility in the Indian Ocean Region (UMIOR), Chaired by the Association of Indian Universities (AIU), is being finalised.

17. As one of the founders and key members of IOR-ARC, India has constantly endeavoured to promote cooperation in the Association and share our developmental experiences. We have hosted IOR-ARC pavilion at the India International Trade Fair, IOR-ARC film festival (in Delhi in February 2008); special training course on small and medium enterprises and are going to host a proposed course on ‘Geo-informatics for Coastal Disaster Management’ in November 2011. India also hosted an IOR-ARC cultural event in Cochin in March 2010 to mark the arrival of replica of the 9th Century boat “Jewel of Muscat”. We also hosted a special course for diplomats from IOR-ARC countries at the Foreign Service Institute from in May/June 2010.

18. As we prepare to take over the Chair of the IOR-ARC for two years, we would like to assure our IOR-ARC friends and partners of India’s willingness and desire to make necessary contribution in order to revitalise the Association. We are conscious of the hope and expectations of the members from the Association and from India, as the incoming chair.

19. We are in the process of consulting other friends to develop our

cooperative agenda; We are ready share our experience and extend cooperation to our friends in areas of interest to them.

20. There is vast reservoir of goodwill and cultural affinity among the members of the Association based on our age-old, historical ties. There is need for further strengthening the strong people-to-people interaction in the field of culture, education, trade, investment, business and technical cooperation. The private sector must be encouraged to take lead in forging mutually beneficial partnerships in the broad marine ecosystem including marine transportation, shipping industry, port management, and other sectors related to coastal economies. The tragic consequences of natural disasters that have devastated Japan is a grim reminder of the imperative need for IOR-ARC member countries working together to enhance their capability to deal with such eventualities. IOR-ARC countries must find ways to work together on issues such as the mitigation of natural disasters and the establishment of early warning systems; maritime cooperation.

21. IOR-ARC is perhaps the most extraordinary international grouping, as I have said before, brings together countries straddling three continents thousands of miles apart, diverse and varied in their worldviews, social and religious traditions, economic priorities and potential, and polity—and yet inextricably connected together by the Ocean. This diversity of interests and capabilities can easily impede substantive cooperation, but it can also make such cooperation far more rewarding. In the plurality and diversity, we in India see immense possibilities, and a source of our richness. India is keen to see that this association makes tangible progress on its path to unlock regional potential and deliver positive outcomes.

22. We are committed to do our bit to energizing this important organization. And in this context, we look forward to receiving the ideas coming out of this meeting, which would be a most useful input and guide for us.

23. Before I conclude, let me once again thank ICWA and IORG for organising this Conference and convey my best wishes to all the participants. I wish the event great success in spurring productive and fruitful discussions.
