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## **Indo-Pacific: The Next Growth Engine?**

*By Christopher H. Lim and Tan Ming Hui*

### **Synopsis**

*There is more to gain by turning the Indo-Pacific into the next global growth engine.*

### **Commentary**

LINKING THE Indian and Pacific Oceans into a single geographical space, most scholars and analysts have discussed the vaguely defined Indo-Pacific concept within a geostrategic or geopolitical frame. The flurry of analytical articles over the past year often contain common themes: containment, militarisation, and rebalancing vis-à-vis China's rise and assertiveness.

Yet, there is more to gain from a geo-economic perspective. Further, from a non-traditional security dimension, enhanced Indo-Pacific cooperation will yield significant benefits.

### **Make Peace, Not War**

The idea of further militarisation understandably brings wariness to many in this region. Peace is an extremely precious commodity here – the price is beyond silver and gold, and had been paid by lives of millions.

The past century saw countries in the Indo-Pacific region, particularly in East Asia, plagued by numerous wars and civil conflicts; the Second World War, the Chinese Civil War, the Korean War, the Vietnam War, and so on.

For the people still living in the shadows and memories of these traditional wars, they also increasingly have to deal with non-traditional battles on a daily basis, including

the fight against climate change, global warming and natural disasters, on top of the fight against global epidemics and [antimicrobial resistance \(AMR\) outbreaks](#).

At the same time, much of Southeast Asia and South Asia, especially the rural areas, still face challenges in attaining [safe, clean, and secure water and sanitation](#), accessible and reliable healthcare, as well as adequate public infrastructure.

On top of these, countries in the region are facing [the escalating trade war](#) between the United States and China, and bracing themselves for the [potential fallout](#).

### **Towards A Cooperative Concept**

For the Indo-Pacific concept to gain traction in the region, it has to move away from the rhetoric of military competition and a zero sum game. Rather, it should move towards a more constructive, cooperative, and inclusive framework. As a geo-economic entity, there is boundless potential in the Indo-Pacific.

Linking the two oceans into one cooperative geographical space is not inconceivable especially because it is not a new concept in this region. ASEAN has long led the way with its multilateral and inclusive platforms of ASEAN Regional Forum (ARF) since 1994 and East Asia Summit (EAS) since 2005. The Regional Comprehensive Economic Partnership (RCEP), even though it is still undergoing negotiations, is another key effort to deepen economic partnership and integration among countries that fall within the scope of an Indo-Pacific region.

The US-China trade war is a great [destabiliser](#) and disrupter globally. Amid this atmosphere of uncertainty and fear, cooperation and hope are needed more than ever. A development-driven cooperative framework can bring more optimism and stability to the region.

### **Southeast Asia as Starting Point**

Southeast Asia provides a good starting point for a cooperative and development-driven Indo-Pacific strategy to take shape. ASEAN members are committed to neutrality, and ASEAN processes and architecture have allowed more than 630 million people to live together in peace. ASEAN neutrality can help bridge the gap of mistrust between the Quad countries – the US, Australia, Japan and India – and China.

All major powers within the Indo-Pacific could make a difference by contributing to the development of Southeast Asia, and can continue to make a positive contribution.

Japan's quality control methods in manufacturing and product safety is well known globally. Given its declining domestic workforce, Japan could join forces with the growing ASEAN's young population to expand Japan's manufacturing strength in ASEAN. Together, they could potentially create the next manufacturing miracle – guaranteeing Japanese quality and workmanship at competitive ASEAN price.

Food and agriculture are fundamental to human survival. The emerging challenges in climate change and water shortage would further exacerbate the needs of food production in highly populated ASEAN. Australia's agricultural R&D capability ranks

among the best in the world, meaning that Australia could share its agricultural expertise and help ASEAN become a “food bowl” for the rest of the world.

Tourism is increasingly a critical industry in ASEAN. With the increase in tourist volume in Southeast Asia, the natural environment is under considerable strain and rapid degradation. Again, ASEAN can tap on the Australian expertise in environmental protection. Similar to Australia, the region’s coral reefs are also facing grave threats. Australia could offer its research and knowledge on the [protection and restoration](#) of the Great Barrier Reef.

### **Digitisation and Infrastructure**

ASEAN has collectively identified digitisation is one of the key developmental initiatives. The region is experiencing [upward trends](#) in internet penetration and mobile connectivity, and e-commerce is becoming increasingly important. India has long been identified as the global leader and hub in software development.

India could extend its strength in the digital industry to ASEAN, particularly amongst the ASEAN youths, and help propel ASEAN to compete in the e-commerce globally. Such initiatives by India could help to enhance ASEAN’s global competitiveness.

ASEAN economies will need to spend more than [US\\$60 billion](#) annually for their infrastructure needs, especially in the energy and transport sectors. Given that the Japan-backed ADB (Asian Development Bank) and the China-backed AIIB (Asia Infrastructure Investment Bank) already have the experience of [co-financing](#) four infrastructure projects in Pakistan, Bangladesh, Georgia and India, the next step is for ADB and AIIB to join forces again to address and develop the infrastructure needs in ASEAN.

Turning away from containment and militarisation, the Indo-Pacific can collectively leverage on a positive, constructive and cooperative concept as outlined above. This collaborative strategy can be extended eastward to all the countries and islands in the Pacific Ocean, even covering South America, and westward to those islands and countries in the Indian Ocean and the African Continent.

### **Escaping the Vicious Cycle of Containment**

All the major and smaller players in the region have a stake in the stability, growth, and success of the Indo-Pacific region, and it does not make economic sense to prefer containment over cooperation.

Furthermore, the perception of whether a country is a partner and whether a country is a competitor is not static, and can change over time. The US-Japan alliance has been relatively stable and strong since the end of World War II. Nevertheless, when Japan was at its economic peak in the late 1970s and early 1980s, there was talk in the US over whether it should be contained. In fact, Japan’s economic expansion was described as “[uncontrolled and unbalanced](#)”, and hurting American interests. Fast forward 20 years later, China is now perceived as the competitor.

Twenty years from now or even earlier, India could be the next rising power with its

[economic growth potential](#). By then, does it mean that it will become the next competitor to contain? Certainly not. Otherwise, the region will be in a perpetual cycle of containment.

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*Christopher H. Lim is Senior Fellow and Tan Ming Hui is Associate Research Fellow in the Office of the Executive Deputy Chairman at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University (NTU), Singapore.*

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**Nanyang Technological University**

Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798  
Tel: +65 6790 6982 | Fax: +65 6794 0617 | [www.rsis.edu.sg](http://www.rsis.edu.sg)