



Ten Years of Act East Policy: Reflections from Philippines

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Key Takeaways

- India's "Act East Policy" at 10 has evolved into a strategic pillar, with growing recognition in the Philippines for its role in maritime security and defence.
- COVID-era vaccine support strengthened India's goodwill and soft power in the Philippines.
- Connectivity gaps and India's modest visibility in Philippine public discourse remain key challenges.
- Deepening defence ties, boosting trade and investment, and expanding connectivity and people-to-people linkages are essential to further strengthening the relationship.

Introduction

Launched in 2014, India's "Act East Policy" (AEP) was a strategic upgrade of the earlier "Look East Policy" (LEP) initiated in the early 1990s. The AEP marked a more action-oriented and security-conscious approach to India's engagement with the Indo-Pacific. From the Philippine perspective, the policy aims to strengthen economic, political, and strategic relations with Southeast Asia and beyond, including Japan, South Korea, and Australia.

The AEP has reinvigorated India-Philippines relations, given the Philippines' role as a key member of the Association of Southeast Asian Nations (ASEAN) and a frontline state in the South China Sea dispute. For India, the Philippines offers a critical vantage point from which to assess the strategic depth and regional reception of the AEP. This commentary reflects on the progress of the Act East Policy (AEP) over the past decade from a Philippine perspective, assessing its achievements, gaps, and



potential pathways for deeper India-Philippines engagement.

Strategic Shifts Over Ten Years

Over the past decade, India's foreign and economic policy has undergone four notable shifts: moving from economic to strategic engagement; aligning more closely with the Indo-Pacific vision; giving greater emphasis to Northeast India as a gateway to Southeast Asia; and diversifying partnerships.

Under the LEP, India's engagement with Southeast Asia focused primarily on economic integration for three decades. The AEP broadened this agenda to include defence cooperation, maritime security, and connectivity. Naval deployments, joint exercises, and high-level defence dialogues have increased significantly. The policy's Indo-Pacific dimension promotes a free, open, and inclusive maritime domain, complemented by growing cooperation with QUAD partners – the United States, Japan, and Australia – while maintaining strategic autonomy.

Northeast India has been prioritised as a strategic bridge to ASEAN, with connectivity projects such as the India-Myanmar-Thailand Trilateral Highway linking domestic development to external strategic goals. India has also expanded ties with countries beyond its traditional partners, engaging more deeply with the Philippines and Vietnam.

The Philippine Viewpoint

The relations between India and the Philippines share strategic interests on many fronts. First is the geostrategic convergence. Both countries share concerns over Chinese assertiveness in the South China Sea. This shared geopolitical anxiety is quietly driving stronger bilateral ties – not only in defence but also in trade, people-to-people links, and connectivity. In addition, both support a rules-based international order, UNCLOS, and freedom of navigation. At the same time, the Philippines values India's non-aligned stance and balancing role in the Indo-Pacific.

Closely related to this first dimension is defence and security cooperation. Both countries have witnessed upgraded military and defence partnerships, marked by the acquisition of the BrahMos missile. This alone represents a historic shift in India's role as a security partner in the region. The Philippines' purchase is the first of its kind in Southeast Asia, followed by Vietnam. Beyond this, military trainings and exercises are ongoing, and disaster relief assistance has been provided when necessary. Regular naval port calls, potential joint training, and dialogues under the India-Philippines Joint Defence Cooperation Committee have also been held. These developments reflect a broader shift: countries in the region are diversifying their defence relationships and moving toward minilateral and multilateral balancing strategies that prioritize sovereignty, maritime security, and a rules-based Indo-Pacific.

The third area is economic and developmental cooperation. Trade remains modest but is growing; India is seen as a reliable alternative to China in pharmaceuticals, IT, and education. Economic partnership is best exemplified by trade performance. After several decades of cordial but distant relations with many countries in Southeast Asia, including the Philippines, due to ideological differences and pressing domestic concerns, trade with India doubled in 2018 from its 2010 landmark total trade of one billion US dollars. In recent years, this figure has tripled, reaching new highs in 2023 and 2024. As shown in Table 1, the balance of trade tilts by more than 50 percent in favor of India. This development should not be seen as a problem but as an opportunity that the Philippines – both state and non-state actors – can take advantage of.

Another dimension of partnership is cooperation in digital connectivity, space technology, and healthcare, which has gained momentum in recent years. Pharmaceutical collaborations, for instance, have been in place for several years, but the real test of the relationship came during the period of the AEP. During the pandemic, when vaccine nationalism gripped much of the world and many traditional partners hesitated to make firm commitments, India stood out. Through its *Vaccine Maitri* initiative, India agreed to supply Covaxin

Table 1. India-Philippine Trade, 2015-2024

Year	Import	Export	Total (US\$ M)	Balance of Trade
2015	423.04	1395.58	1818.62	-972.54
2016	542.16	1374.23	1916.39	-832.07
2017	494.62	1487.2	1981.82	-992.58
2018	764.36	1692.83	2457.19	-928.47
2019	581.1	1743.64	2324.74	-1162.54
2020	523.83	1526.03	2049.86	-1002.2
2021	572.47	1457.3	2029.77	-884.83
2022	729.12	2,107.24	2836.36	-1378.12
2023	959.59	2,094.15	3053.74	-1134.56
2024	1,433.60	2,097.17	3530.77	-663.57

Source: Generated from the Ministry of Commerce and Industry Trade Statistics, India.

to the Philippines – a bold and compassionate gesture that prioritized Filipino survivability over geopolitics or profit. Personal diplomacy between Prime Minister Modi and then President Rodrigo Duterte also played a meaningful role in facilitating this act of solidarity.

Cooperation is also evident in people-to-people exchanges, particularly through India's capacity-building programmes, scholarships, and training under the ITEC (Indian Technical and Economic Cooperation) scheme. Several Filipinos, including the author, have benefited from these trainings, both onsite and online. As of 2023, over 1,000 Filipino nationals have been trained in disciplines such as artificial intelligence, cyber technologies, engineering, agriculture, entrepreneurship, trade, election management, and pharmaceuticals, among others. In the area of defence training, around 22 Filipinos have received instruction in maritime law, diving, aerospace safety, and related fields.

Challenges

Since 2014, the relationship has not been without challenges. These include bureaucratic delays and infrastructure hurdles in India-ASEAN connectivity projects – such as complex inter-agency coordination, lengthy permits and clearances, and funding constraints. There is also a need for more sustained economic engagement, as the Philippines seeks greater

investment, trade access, and Indian FDI. Additionally, there is a perception that India still plays a secondary role compared to China, the US, or Japan. While both countries recognise the potential for increased trade, progress in formalizing agreements has been slow. In June 2023, they agreed to commence negotiations for a bilateral Preferential Trade Agreement (PTA) to reduce tariffs and enhance trade relations. However, as of March 2025, these negotiations have not advanced significantly. Philippine Foreign Secretary Enrique Manalo has emphasized the need to accelerate discussions to diversify and expand commercial ties.

The Philippines also has significant untapped export potential to India. Sectors such as electronics, halal-based products, personal care, beauty products, and organic items like dairy products remain underrepresented in the Indian market. Increasing awareness and access could substantially boost bilateral trade.

Access to the services market is another contentious issue. The Philippines has been reluctant to open its services sector to Indian professionals, limiting opportunities for Indian service providers. This constrains the growth of trade in services – a potentially significant area of collaboration given India's strong services sector.

Despite updates to the air services agreement

in 2021, direct flights between India and the Philippines are only now expected in the coming months. For years, the absence of direct air connectivity has hampered tourism, business travel, and people-to-people exchanges. Air India's upcoming non-stop flights between Manila and New Delhi in October mark a welcome and long-overdue development. However, as with previous initiatives, sustaining operations will be the real challenge.

Conclusion and Way Forward

After a decade, the Act East Policy (AEP) has matured from a symbolic outreach into a strategic pillar of India's foreign policy. From the Philippine perspective, India is increasingly recognised as a credible and valuable partner, particularly in maritime security and defence cooperation. However, economic ties remain relatively underdeveloped, and sustained, high-level engagement will be essential for India to become a more prominent player in Southeast Asia.

The AEP was conceived to deepen India's economic, strategic, and cultural linkages with ASEAN and East Asia. In the case of the Philippines, bilateral relations have advanced steadily. High-level visits, closer diplomatic coordination, and shared concerns over maritime security – especially in the South China Sea – have drawn the two countries closer together. The Philippines' acquisition of India's BrahMos missile system marked a milestone in defence cooperation. Economically, while bilateral trade

still lags behind India's exchanges with larger ASEAN economies, it has shown consistent growth, surpassing US\$3 billion in 2024. Indian investments in pharmaceuticals, IT, and renewable energy have gained traction, while India's COVID-era support through vaccine exports fostered goodwill in Manila.

Nevertheless, challenges persist – notably the lack of direct connectivity and India's relatively modest profile in Philippine public and business circles. Even so, India is increasingly seen as a dependable partner that upholds international norms and offers the Philippines a valuable strategic alternative in a shifting Indo-Pacific landscape.

In order to strengthen ties, India and the Philippines should pursue complementary strategies that reinforce each other. For India, priorities include deepening defence cooperation through joint R&D, specialized training, and expanded logistics arrangements; expediting trade negotiations and broadening market access for goods, services, and investments; and investing in both physical and digital connectivity across ASEAN, with particular attention to the Philippines.

For the Philippines, it will be important to engage India as a strategic partner and stabilising force in regional security; leverage India's strengths in education, technology, and healthcare to support national development; and expand Track 2 diplomacy, academic linkages, and civil society collaborations to foster mutual trust and sustained engagement.



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