

CHAPTER 2
PAST RELATIONSHIPS BETWEEN THAILAND AND INDIA
BEFORE THE 21ST CENTURY

Indian and Thai civilizations have been linked for more than 2000 years in religious, linguistic, and socio-economic dimensions. Indian culture has permeated almost every aspect of Thai culture. Therefore, though the political and economic relations between Thailand and India were occasionally interrupted, their people's connection is continuously cordial.¹

This chapter describes 3 significant dimensions: politic and security, economy, and culture of the relations between Thailand and India before, during, and after the Cold War until the end of 20th century.

2.1 Historical Contacts: Cultural and Traditional Influence

Indo-Thai relations can be traced back thousands year ago. Thailand is a part of Suvarnabhumi, which was mentioned even in the Ramayana written by Valmiki in 1000 B.C. Later, when Buddhism emerged, Suvarnabhumi became well known to India. In 329 B.C. (B.E. 300) Ashoka the Great sent Sona and Uttara to Suvarnabhumi to spread the gospel of Buddhism. It is believed that Sona and Uttara went first to a city now called Nakorn Pathom (Nagar Pratham), in Thailand. The residents of

¹ Nophadol Chartprasert, "Indo-Thai Relations after World War II," in Mapping Connections: Indo-Thai Historical and Cultural Linkages, ed. Sachchidanand Sahai and Neeru Misra (New Delhi: Mantra Books, 2006), p. 78.

Nakorn Pathom welcomed the missionaries and became the first Buddhist people in Suvarnabhumi. Situated about 40 kilometers from Bangkok, today Nakorn Pathom is one of the national heritages of Buddhism history where a huge pagoda is located to commemorate the first Buddhism discourse gave by Sona and Uttara which laid the foundation for the spread of Buddhism in the rest of Southeast Asia.²

Not only Buddhist missionaries from India went to Thailand, Burma, Ceylon (Sri Lanka), and Indonesia also sent their missionaries in course of time. King Jayanaga of Sri Vijaya (Indonesia) sent a group of missionaries to spread the Mahayana sect of Buddhism in A.D. 700 (B.E. 1300). Another important missionary group came from King Aniruddha of Pagan (Burma) to spread Hinayana sect in A.D. 1000 (B.E. 1600), but the most important group was from Sri Lanka in the 13th century. In 1253 some Thai Buddhist monks went to Sri Lanka and returned with the Pali canon of the holy Tripitaka. They also asked some monks of Sri Lanka to visit Sukhothai. During the reign of Rama Khamheng of Thailand, some Buddhist monks of Sri Lanka went to Thailand. King Rama Khamheng requested them to settle in his capital, Sukhothai. These monks were Theravada experts and exercised much influence on the Thais. King Rama Khamheng embraced Theravada Buddhism and made it compulsory for all the future kings of Thailand. Theravada Buddhism was proclaimed the state religion, which continues to be *de facto* until today.

The year 1253 is a landmark in the history of Thailand in many ways. It was during that year that the Thais finally defeated the Khmer government and founded

² Ganganath Jha, "Indo-Thai Relations in the Twentieth Century," in Mapping Connections: Indo-Thai Historical and Cultural Linkages, ed. Sachchidanand Sahai and Neeru Misra (New Delhi: Mantra Books, 2006), p. 147.

their own kingdom in Sukhothai. In later years King Rama Khamheng (A.D. 1283–1317) of Thailand developed very cordial relations with the then ruler of China, Kublai Khan. India was then by no means a powerful country because it was facing repeated invasions on its western frontier. It was under Muslim rule, and Islam had started spreading. Muslim rule was not conducive to the spread of Buddhism or Hinduism in the region. On the other hand, the Burmese, the Khmers, and the people of Sri Lanka strongly believed in and practiced Buddhism. The Thais, therefore, looked to them for enriching their treasure of thought and literature regarding Buddhism. Although during the Moghul period and thereafter, hundreds of Thai monks continued to visit Sarnath (in Uttar Pradesh) and Buddha Gaya (in Bihar) on pilgrimage, India was in no position to influence the Thais.³

Thus both India and Thailand had a natural tendency to be attracted toward each other. Buddhism was a link and the Thais treated India as a place of pilgrimage. There are several religious practices in Thailand which have a striking resemblance with Indian customs. For instance, the festivals of Songkran and Loi Krathong share similarities with the Holi and Chatha festivals respectively. The systems of spirit worship and ancestor worship prevalent in Thailand have similarity with Sandhya and Havan in orthodox Brahmin houses. The cultural links are important but there are geopolitical, economic and strategic links as well which govern the relationship. However, the most important asset in their relationship is religion. The faith in Buddhism is universally adhered to in Thailand. Buddhism became the religion of various Asian countries before the beginning of the Christian era and India continued

³ Jha, pp. 147-148.

to send monks, priests and missionaries to explain the gospel of Buddhism. This was halted only after the Moghuls consolidated their rule in India and tried to propagate Islam in the region.

For many centuries cultural contacts between India and mainland Southeast Asia were disrupted because of external invasion and internecine war among the rulers. This did not, however, totally spoil the cultural influence of India already assimilated in those countries. When considering Thai styles and practices in the fields of religion and philosophy, art and architecture, sculpture and painting, dance and drama, language and literature, this striking affinity with India's can be easily seen⁴.

The Brahmins perform most of the rituals relating to the coronation of the king. They conduct the *homa* ("fire sacrifice"). They also supervise the ceremonial bath, the elaborate preparation of consecrated water, purification, and anointment. Then along with men of the highest rank, they lead the king to the Octagonal Throne. During the actual ceremony of coronation, it is the chief of the Brahmins who hands the Great Crown of Victory and the royal regalia to the king. The chief of the Brahmins also takes precedence over all others in paying homage to the king. The king then receives benediction from the other Brahmins, who are the first to receive his commands. The Buddhist benediction follows later in ceremonies in which the Brahmins take no part.⁵

The second important ceremony in which the Brahmins play an important role is Piti Raek-Na-Kuan. The king chooses the Minister of Agriculture to play the part of

⁴ Jha, p. 148.

⁵ Ibid., p. 149.

Phya Raek Nah (“Lord of the Festival”). The Brahmins give him a choice of three *panungs* (“lower garments”). If he chooses the longest, rain is supposed to be abundant during the year. Phya Raek Nah ploughs a number of furrows and plants rice. Then the farmers would eagerly gather and plant with their own paddy seeds for good luck. The bulls that pull the plough during the festival are then presented with seven varieties of grain to eat; from the variety they choose, the Brahmins foretell the year’s best crop. Piti Raek-Na-Kuan is a national ceremony of Thailand. Both the king and his ministers attend it. It is usually celebrated in the month of May.⁶

The Brahmins play a similarly important role in the tonsure ceremony. This ceremony is a private one for princes between eleven and thirteen years of age. Lastly, there is the swing ceremony, which is celebrated each year during the second lunar month in the Vishnu Temple opposite Sao Ching-Cha on Dinsaw Road. This used to be a state ceremony before the accession of King Mongkut (A.D. 1851–1868) to the throne. The Brahmins carry the image of Lord Vishnu and place it on a swing on this occasion. In India, too, the image of Lord Krishna is placed on a swing on the occasion of Janmashtami, the date of His birth. This ceremony is called “Palana” in Delhi and Uttar Pradesh, “Jhula Parva” in Bihar, and “Oonjal” or “Thottil in Tamil Nadu. This ceremony is still widely celebrated all over India.⁷

Thai architecture as exemplified in the Royal palaces and the Buddhist wats bears a close resemblance to the temples found in India. Archaeologists find in Thai architecture an amalgam of the styles characteristic of the Gupta period (North India) and the Pallava period (South India), as also of the Khmer style (Cambodia) and the

⁶ Jha, p. 149.

⁷ Ibid., pp. 149-150.

style obtaining in Sri Lanka. The Wat Arun in Bangkok has a *trishula* (trident) at its top as in the temples of Shiva in India. The image of Lord Buddha seated on a lotus in the various temples in Thailand inevitably reminds us Indians of the image of Lord Vishnu or Lord Shiva seated on a lotus in the various temples in India.⁸

Thai paintings derive their themes from the Buddhist Jataka tales and from the episodes in the Ramakien (Ramayana) and the Mahabharata. The Temple of the Emerald Buddha in Bangkok, which is considered to be the most sacred in Thailand, has a series of murals containing the whole story of the Ramayana. To the Thais, Rama is a symbol of goodness, virtue, and piety; Sita, an apotheosis of womanhood; and Hanuman, an embodiment of humour, ingenuity, and gaiety. Evaluating the Indo-Thai cultural links, Prince Prem Purachatra, former Thai Ambassador in India, once said: “The hierarchy of Hindu gods and goddesses provided inspiration to our Thai artists, and some of them have assumed symbolic significance, such as Vishnu, the patron of engineering and science, and Ganesh, the patron of fine arts. We award gilded statues of Saraswati to the winners of Thailand’s top cinematic honours.”⁹

Thai classical dance and drama, the Khon (masked play) and Lakorn, derive their themes mainly from the Ramakien and the Mahabharata. The folk dances of Thailand remind us strongly of the Manipuri style of dance in India.¹⁰

In the field of language and literature, there are many words of Sanskrit and Pali origin in the Thai language. The literature, being essentially religious, is full of mythological tales of Buddhism and Hinduism. Ramakien or Ramakirti is a highly

⁸ Jha, p. 150.

⁹ Ibid., p. 149.

¹⁰ Ibid., p. 151.

praised work in Thai literary. Though there are slight differences between Thailand's Ramakien and India's Ramayana, yet the basic story is the same. In India, the Hindus attach a religious significance to the Ramayana, but in Thailand, Buddhism as the *de facto* state religion holds its significance to the holy Tripitaka.¹¹

Some Thai festivals like Songkran and Loi Krathong bring reminiscence of Holi and Chatha Parva in India. On the occasion of Songkran which is celebrated annually in April, all the paraphernalia of Holi are followed, except that the Thais do not use colored powder (*avir*). The streets in Thailand are crowded by adolescents participating playfully in this festival. On the occasion of Loi Krathong, which is usually celebrated in November, little lamps are set afloat on the water in the canals and rivers with great pomp and show. Likewise, on the occasion of Chatha Parva in Bihar and Uttar Pradesh lights are floated on the river Ganga. In Bihar, lights are found afloat even in small ponds. Patna's Chhath is famous all over India for its illuminations and general participation.

The Thais also enjoy seeing Indian movies, which their scripts are translated and dubbed in Thai before screening. Indian movies attract huge crowds.¹²

The relation of social culture and region between Thai and India in the Post-Cold War era has been developed to be more objective. There were exchange scholarships and corporation in many projects.

During 1996–1997, Thailand got a remarkable cooperation from India to respectfully engage the Buddha's relic located temporarily at Buddhamonthon in order to let the Thais to worship from December 29, 1996 to March 3, 1997. And it is in the

¹¹ Jha, p. 151.

¹² Ibid., p. 149.

occasion of 50th year's Indian independence anniversary that is the same as the established commemoration of the relationship between Thailand and India.¹³

In August 1, 1997, Thailand set up Thai-Indian film festival. On this occasion, the Faculty of Political Science and India Studies Centre, Thammasat University, arranged the seminar about Thai and Indian relationship. In 2000, the Indian Embassy in Thailand sponsored many cultural activities such as a yearly Heritage Festival at Buriram province in January, the first participation of Asian Film Festival in March, the first International Music and Dance Festival in August, the second Film Festival in September, and the 44th Asian Pacific Film Festival in November. In addition, the Indian Dollish exhibition was held by the both countries in November. Later, Mr. Mruli Mahohar Joshi, the Minister of Indian Human Resources Department participated in The International Sanskrit Conference held by Silpakorn University during May 20–22, 2001. In February 2003, at the fourth bilateral conference of Thai-Indian committee, Thailand proposed an action plan to exchange the activities that encouraged the cultural relation between peoples of both countries. In October, after the visiting of Indian Prime Minister Mr. Atal Vachapayee, Thailand and India agreed to establish the Indian Cultural Center in Thailand and Thai Cultural Center in India. Apart from these, India granted the sum of USD 500,000 in order to develop and recover the areas hit by tsunami on December 26, 2004. In 2005, Indian and Thai

¹³ Panya Channongsai, นโยบายต่างประเทศไทยต่ออินเดียในยุคหลังสงครามเย็น (ค.ศ. 1989 - ค.ศ. 2005) [Thai Foreign Policy toward India after the Cold War Era (1989-2005)] (master's thesis, Faculty of Political Science, Thammasat University, 2007), p. 124.

acceded in Memorandum of Understanding on Cooperation in the Field of Education.¹⁴

After the Post-Cold War era, Indian government has been granting the study and training scholarships which are:

1. General Cultural Scholarship Scheme: Approximately ten awards per year, provided for undergraduate students, postgraduates, and Ph.D. candidates. These scholarships are supported by Indian Council for Cultural Relation (ICCR) in cooperation with Ministry of Education, University and Indian Study Centre of Thammasat University.
2. Indo-Thailand Cultural Exchange Programme: Four awards offered to Thai students. This is the study exchange programme under the responsibility of Indian Council for Cultural Relation (ICCR).
3. Cultural Exchange Programme: Ten awards of study, training, and research scholarships provided only on government to government basis.
4. Technical Cooperation Scheme of Colombo Plan: Ten awards per year. This is divided in two small projects: short or medium training courses for governmental officials; and short, medium, or long course scholarships for undergraduates. This is supported by Ministry of Finance.
5. ITEC (Indian Technical and Economic Cooperation: ITEC Programme): Sixty awards are provided for Thai citizen by assisting from BIMST-EC and ASEAN under the responsibility of Ministry of External Affairs.

¹⁴ Channongsai, p. 125.

6. Hindi Study: One award per year provided by Ministry of Indian Human Resources.
7. Jawaharila Nehru Scholarship: One award per year which has been given since 1992 onward.
8. Mekong-Ganga Scholar Scheme.
9. AYUSH Scholarship Scheme for BIMST-EC Member: provided for students who are interested in studying Indian traditional medicine (e.g., Ayurveda).

Apart from above, there are training scholarships from Indian private sections, for example, Infosys, the top rank Indian software firm.

In addition, India Studies Centre and Sanskrit Studies Centre, Thammasat University, received the support from Indian government to establish organizations which are Thai Bharat Cultural Lodge, Tamil Cultural Association of Thailand, Thai-India Cultural and Economic Cooperation Association, and Indian Women's Club.

One of the indicators of increasingly strong relationship between Thailand and India is the number of agreements. Throughout 41 years from boosting up diplomatic relation to 1988, there were only 6 agreements. From 1989 to 2005 which is considered the Post-Cold War era, there were 22 agreements.¹⁵

¹⁵ Channongsai, pp. 126-127.

2.2 Political and Security Relations

Thailand was one of the very first countries that established diplomatic relation with India in 1947. India became an independent nation on August 15, 1947, but the diplomatic relation between Thailand and India has begun earlier since August 1, 1947.

Dr. Thanad Koman was appointed Chargé d'Affaires of the Royal Siamese Legation of India until Laung Pinit Aksorn was appointed the first Envoy Extraordinary and Minister Plenipotentiary. The two countries upgraded their relations to the level of ambassador on October 3, 1951 and Luang Vichit Vatakarn was appointed the first Thai Ambassador to India.¹⁶ He foresaw the future of both countries relying on collective security, in that India and Thailand should join hands, not to work against anyone in particular but to defeat aggression wherever possible. If India, Thailand, and some other countries of the region joined hands to promote unity, solidarity, and cooperation in Asia, that would be the best possible service by them to the people of Asia.¹⁷

In the past 60 years the diplomatic relation between both countries were up and down, sometimes close and warm and sometimes cold and distant. The political relation before 21st century can be divided into three periods as follows:

¹⁶ Chulacheeb Chinwanno, "Thai-Indian Diplomatic Relations: From Differing Perceptions to Common Interests," in Thailand and India Relations: Partnership for Peace and Prosperity, ed. Corrine Phuangkasem (Bangkok: Faculty of Political Science and India Studies Center, Thammasat University, in collaboration with Embassy of India, Bangkok, 2008), p. 6.

¹⁷ Ganganath Jha, Foreign Policy of Thailand (New Delhi: Radiant Publishers, 1979), p. 135.

2.2.1 The Early Years (1947–1957)

In this period the relations were cordial and friendly. Thailand was one of the first Asian countries that recognized and established diplomatic relations with India, while India saw Thailand as a friend who supported India's independence. India and Thailand perceived the United Nations as the mechanism for the peaceful new world order.

India attached geo-strategic importance to Thailand, as the friendly gesture shown in February 1947 when Indian interim government extended a loan of 50 million rupees to Thailand, which was the first given to a foreign country. India on its part adopted a very sympathetic attitude toward Thailand on the question of payment of reparation, which had been dictated by the British government. The war claims were USD 5,224,220 to be paid to Great Britain and in which India's share was one-fifth (USD 1,044,844). On the other hand, Thailand adopted a very sympathetic attitude toward the Indian National Army (INA) volunteers who preferred to stay back in Thailand, and facilitated their rehabilitation.¹⁸

However, Indo-Thai political relations had not developed much. The different points of view between Thailand and India toward the Cold War can be considered as a main reason. During 1947–76, neither the King nor the Prime Minister of Thailand ever came to India on a state visit.

¹⁸ Suchart Jutasmith, "Five Decades of Thai-Indo Relations: From Past to Present," in *Thai-Indo Relations: Present and Future Prospects of Cooperation*, ed. Corrine Phuangkasem (Bangkok: Faculty of Political Science and India Studies Center, Thammasat University, 1997), p. 35.

The Cold War tension slowly affected both countries. The victory of the Chinese Communist Party led by Mao Zedong in China in 1949 and the Korean War in 1950 became major turning points in Asian international politics.¹⁹

Thai leaders perceived the establishment of the People's Republic of China and the conflict between the two Koreas in 1950 as an expansion of Communist influence and a potential source of regional instability. India, on the other hand, was looking for a way to manage the Cold War tension in Asia and bipolar system.²⁰

India believed that the moral imperatives and principles that had guided the Allies to victory in the World War II would lead to a better world for all humanity. India felt very strongly that a new world order was necessary and all countries must have the right and ability to make their independent judgments on various world issues.

After India had become independent, it decided to implement an independent and active non-aligned foreign policy. India placed itself outside the power blocs and refused to join any military pact sponsored by any of the superpowers.²¹

2.2.2 The Cold War Era (1958–1988)

Thailand's policy was clearly different from India's. Thailand started to move toward the Western camp in 1950 when the security situation in Asia became most threatening. The conflicts in the neighboring countries, the security problems along its

¹⁹ Chinwanno, p. 7.

²⁰ Ibid.

²¹ Man Mohini Kaul, "ASEAN-India Relations during the Cold War," in India and ASEAN: The Politics of India's Look East Policy, ed. Frederic Grare and Amitabh Mattoo (New Delhi: Center de Sciences Humanaies, 2001), p. 41.

borders, the successes of the Communist-led forces in Laos, Vietnam, and Cambodia, all coincided with the US's growing concern over Southeast Asia and motivated Field Marshal Pibulsongkram to shift to a pro-Western policy.²²

On the other side, India in the post-independence period adopted the path of non-alignment. It wanted to keep Asia away from being embroiled in the vortex of the Cold War. India became an ardent advocate of non-alignment and peaceful co-existence after getting independence.

Thailand on the other hand felt that communism was a greater threat and containment was the right policy to deal with it. It became a kingpin of the SEATO, and became involved in the Vietnam War. India was naturally unhappy.²³

Thailand relied upon the extra regional power, the United States, and joined the multilateral collective defense led by the US and Western allies in the form of Southeast Asia Treaty Organization (SEATO) in 1954. At the same time India was setting up a third force in the bipolar conflict between the Communist camp led by the Soviet Union and the Free World camp led by the US.

Field Marshal Pibulsongkram was one of the Asian leaders who supported the policy of military alignments advocated by the United States to counter the Communist activities. He actively supported the SEATO and offer Bangkok as its headquarters.²⁴

Thailand as the headquarters of SEATO contributed contingents of armed forces in the Vietnam War. Thailand provided its air and naval bases to the US and

²² Corrine Phuangkasem, Thailand and SEATO (Bangkok: Thai Watana Panich, 1973), p. 18.

²³ Jha, *Indo-Thai Relations*, p. 145.

²⁴ Chartprasert, p. 79.

the American Air Force regularly used those bases to bomb communist belts in Vietnam. When the war finally came to an end in 1975, Thailand became a frontline state to prevent Vietnam in expanding and consolidating its influence in the region.²⁵

On the other hand, the Indian Prime Minister, Jawaharlal Nehru, did not support the existence of SEATO. In a speech during a debate on foreign affairs in the Lower House of the Indian Parliament in 1954, he said that “if India had participated in the Manila Conference, it would have meant India’s giving up its basic policy of non-alignment”. Moreover, India’s participation could have affected its position as the Chairman of the International Control Commission in Indochina. He also challenged the usefulness of SEATO, and said that it had only added to the tension in Southeast Asia.²⁶

Another key point was Pakistan, which had territorial conflicts with India, supported SEATO. By virtue of its membership of SEATO, it automatically became the recipient of military and political support from the eight member nations of the Manila Pact including Thailand.²⁷ India believed that Pakistan did not really fear the threat from China, but joined SEATO in order to confront India.²⁸

In addition, Thailand and India views toward the Korean War and the Vietnam War were different. For the Korean War, the Indian government did not support the United States’ mission in the war and called for peaceful resolution, but the Thai government strongly supported the Americans and sent Thai forces to assist the South

²⁵ Jha, *Indo-Thai Relations*, p. 155.

²⁶ Chartprasert, p. 79.

²⁷ Jha, *Foreign Policy of Thailand*, p. 135.

²⁸ Warangkana Nibhatsukit, *ความสัมพันธ์ระหว่างประเทศไทยกับประเทศอินเดีย พ.ศ. 2493-2529* [The Relations between Thailand and India 1950-1986] (master’s thesis, Graduate School, Chulalongkorn University, 1992), p. 62.

Korean. In the case of Vietnam War, the Thai government believed that it was a war between North and South Vietnam which clearly presented the aggression of North Vietnam which had to be resisted by force, but the Indian government believed that a peaceful solution would materialize.²⁹

However the Sino-Indian border conflict in 1962 altered the Thai policy toward India. Thailand extended its full support to India to fight against China. India received a message of support and sympathy from the Prime Minister of Thailand, Field Marshal Sarit Thanarat. He remarked in October 1962 that Thailand might assist India at the United Nations in the war against China.³⁰

Nevertheless during the second period of Thai-Indian cold relations, there were still several warm gestures. In 1972, Indian President V.V. Giri became the first President of India who visited Thailand.³¹ In 1978 the Deputy Prime Minister Sunthorn Hongladarom visited India. Later in 1979, General Kriengsak Chamanand made a brief visit in India and had a brief discussion with Indian Prime Minister, Moraji Desai.³² Several agreements were signed such as the trade agreement in 1968, and the agreement in 1977.

²⁹ Nibhatsukit, pp. 54-60.

³⁰ Asis Kumar Majumdar, South-East Asia in Indian Foreign Policy: A Study of India's Relations With South-East Asian Countries From 1962-82 (Calcutta: Naya Prokash, 1982), p. 57.

³¹ Nibhatsukit, p. 85.

³² Ibid.

2.2.3 Post-Cold War Era (1989–2000)

After the Cold War, the Thai-Indian relations became warmer and friendlier. The two countries started the rapprochement in the late 1980s by two main factors.

The first factor was the change in India's perception of the world and the change in its strategy toward East Asia. The "Look East" policy reoriented India toward Southeast Asia and Thailand, whose economy was growing and expanding at that time. India also needed new friends and partners as it realized that it could no longer rely upon the former Soviet Union.

The second one was the economic liberalization initiated in 1991 which prompted India to look for economic partners including Southeast Asia and Thailand. The success had contributed to the Indian GDP growth rate of the 1990s averaging six percent. India's foreign exchange reserves exceeded USD 40 billion at the end of 2000. The export sector expanded vigorously as the software brought in more than 4\$USD billion a year.³³

When the world was shifting away from the polarized system of the Cold War in the mid-1980s, the artificial obstacles that had been created in Indo-Thai relations fell away. The exchanges of high level visits have been sustained ever since.

Prime Minister Rajiv Gandhi paid the first-ever official visit of an Indian Prime Minister to Thailand in 1986. General Chatichai Choonhavan also made a historic, official visit as he was the first Thai Prime Minister to visit India in March 1989. Deputy Foreign Minister Surin Pitsuwan was invited by Indian Deputy Foreign

³³ Chinwanno, p. 11.

Minister Salman Khurshid to visit India in November 1994. In 1997, Pitak Intarawithayanun, also the Deputy Foreign Minister, visited India. Thai Foreign Minister Surin Pitsuwan visited India again in August 2000.

For the visitations of the members of Thai royal family, His Royal Highness Crown Prince Maha Vajiralongkorn visited India twice in April 1992 and December 1998. Her Royal Highness Princess Maha Chakri Sirindhorn visited India five times in March 1987, December 1996, March 2001, April 2001, and from February to March 2005. Her Royal Highness Princess Chulabhorn visited India thrice, from November to December 1996, in January 2004, and in November 2004.³⁴

After these official visits were successfully made by Indian and Thai Prime Ministers, other visits by the head of the governments from both countries have continuously followed.

2.3 Economic Cooperation, Trade, and Investment

Trade relations between Thailand and India in the past were carried by the Indian merchants who sailed through the Indian Ocean and traveled by land to the Siamese or Thai Capital. It was assumed that the trade relations between them had lasted more than 2,000 years. The Indian merchants used two routes. One was the route over Takkola, and another was over Bengal and Myanmar to Siam.³⁵

³⁴ Ministry of Foreign Affairs, Kingdom of Thailand, "Republic of India," 31 August 2005, <http://www.mfa.go.th/web/479.php?id=125> (accessed 5 January 2009).

³⁵ Channongsai, p. 35.

The ancient trade and cultural relations seemed to end after India was colonized by British.³⁶ In 1612, the Great Britain started business affairs in Ayudhya over the East India Company.³⁷

Since the establishment of diplomatic relations, Thailand and India had resumed trading with each other but the volume had not been large. Even though the political relations between them did not improve much during the Cold War, economic cooperation had continued. For instance, in 1955 the Thai Ambassador to India presented 300 tons of rice for the relief of the flood-affected areas in the Northeast India. Later, in 1956, India and Thailand signed an Air Traffic Agreement in Bangkok.³⁸

After India gained independence from the Great Britain the trade between Thailand and India was more obvious. Many Indians from different parts of India had migrated to Thailand and begun the trade with Thai people.

In 1960, the Thai-Indian Society of Trade was established, which supported the trade between both countries, and became Indian-Thai Chamber of Commerce in the present time. The trade relations at this time were mostly on government-to-government basis. Main Thai exports to India included agricultural items such as rice, and Thai imports from India included industrial items, raw materials, and oil (see table 1-3).

³⁶ Chinwanno, p. 5.

³⁷ Channongsai, p. 35.

³⁸ Chartprasert, p. 80.

Table 2.1
Thailand–India trade volume 1962–1967

(Unit: million baht)

Year	Export	Expansion Rate	Import	Expansion Rate	Trade Volume	Thai Trade Balance to India
1962	67	(n.a.)	170	(n.a.)	237	-103
1963	59	-13.6	62	-174.2	121	-3
1964	151	60.9	135	54.1	286	16
1965	890	83.0	110	-22.7	1,000	780
1966	1,382	35.6	92	-19.6	1,474	1,1290
1967	756	-82.8	331	72.2	1,087	425

Source: Ministry of Commerce ³⁹

Table 2.2
Exported Thai Products to India 1965–1967

(Unit: million baht; amount: ton)

Products	1965		1966		1967	
	Value	Quantity	Value	Quantity	Value	Quantity
Rice	459	214,000	420	179,000	550	184,400
Kenaf	397	115,909	930	280,913	153	51,638
Others	34	(n.a.)	32	(n.a.)	53	(n.a.)
Total	890	(n.a.)	1,382	(n.a.)	756	(n.a.)

Source: Ministry of Commerce ⁴⁰³⁹ Nibhatsukit, p. 94.⁴⁰ Ibid., p. 95.

Table 2.3
Imported Products from India 1965–1967

(Unit: million baht)

Items	1965	1966	1967
Metal	44	35	159
Fuel	0	1	92
Metallic product	10	7	16
Machinery	11	6	11
Others	45	43	53
Total	110	92	331

Source: Ministry of Commerce ⁴¹

Tension developed in Indo-Thai relations again when Thailand protested against the United States' decision to send 100,000 tons of rice to India under a PL480 agreement in May 1960. The Thai foreign Minister, Thanat Khoman, disclosed that Thailand had been negotiating with India the sale of 100,000 to 200,000 tons of rice. He charged that the Indo-US agreement of the supply of foodstuffs in May 1960 was responsible for the decline in the price of Thai rice. However, the government of India and The United States Embassy in India refuted the Thai charge. They said that Thailand was not a regular supplier of rice to India; that in the past eight years, India had not imported any rice from Thailand; and that the fall in the price of Thai rice was on account of increased production of rice in Burma, Japan and South Vietnam.⁴²

⁴¹ Channongsai, p. 37.

⁴² Chartprasert, p. 80.

Notwithstanding all this, India expressed an interest in buying Thai rice when in March 1962 Burma put restrictions on the export of rice and other commodities.⁴³

Indo-Thai economic relations were sustained and improved during the 1960s. In 1964, India had entered into agreements with Thailand and Cambodia for the purchase of 25,000 tons of rice from each of them. This formal rice agreement was the first that India signed with Thailand after achieving its independence. Later on 21 June 1965, India and Thailand were linked by a direct radio-telephone service.

India signed its second rice agreement with Thailand in 1966 and bought 150,000 tons of rice on a government-to-government basis.⁴⁴ In the same year, Zakir Husain, then India's Vice President, paid a visit to Thailand from 8 to 10 October 1966. At a banquet given by the Thai Prime Minister, Field Marshal Thanom Kittikachorn, India's Vice President said that he came to Thailand as India's messenger of goodwill. He looked forward to increasing cooperation between the two countries, which, according to him, had walked together through the avenues of history, sharing common dreams and thoughts.⁴⁵ A few months later, in January 1967, the Indian Foreign Minister, Ali Currim Changla, also visited Thailand.⁴⁶ A.L. Dias, the Secretary to the Government of India in the Ministry of Food, went to Bangkok in June 1968 to negotiate yet another purchase of rice. On his return to New Delhi on 10 June 1968, he disclosed that Thailand had agreed to supply 80,000 tons of rice to India on a government-to-government account.⁴⁷ A Thai Trade delegation visited

⁴³ Chartprasert, p. 81.

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ Nibhatsukit, p. 85.

⁴⁷ Jha, Foreign Policy of Thailand, p. 138.

India on 21 February 1969 and held negotiations with the Indian Minister for Foreign Trade, B.R. Bhagat. A joint communiqué issued on 23 February 1969 said that India was in a position to export to Thailand a wide range of manufactured products, such as machinery and machine tools, rails and rail-track accessories, transmission lines, telecommunication equipment, and structural steel. In return, Thailand would supply rice and other agricultural commodities. The communiqué added that a closed cooperation between the two countries was needed. The attempt was not only to strengthen the existing pattern of cooperation, but also to evolve new ones.⁴⁸ Immediately thereafter, India signed an agreement with Thailand on 2 May 1969 to buy 75,000 tons of rice on a government-to-government basis to be delivered in monthly shipment of 20,000 tons. Just four months after signing this agreement, on 2 September 1969, there came yet another rice agreement. Under this agreement Thailand agreed to supply 25,000 tons of parboiled rice. The total export of rice to India in 1969 was 100,000 tons, about USD 240 million in value.⁴⁹

In the 1970s, the relationship between Thailand and India became more cordial. India signed a truly comprehensive agreement in September 1970. This was a three-year pact under which Thailand agreed to sell 400,000 tons of rice a year to India. Thailand on its part agreed to buy factory equipment and machinery of equivalent value from India for state enterprises and government organizations under competitive international tenders⁵⁰ (see table 4-6).

⁴⁸ Chartprasert, p. 82.

⁴⁹ Ibid.

⁵⁰ Ibid., pp. 82-83.

Table 2.4
Thailand–India trade volume 1968–1975

(Unit: million baht)

Year	Export	Expansion Rate	Import	Expansion Rate	Trade Volume	Thai Trade Balance to India
1968	(n.a.)	(n.a.)	(n.a.)	(n.a.)	(n.a.)	(n.a.)
1969	530.4	(n.a.)	256.0	(n.a.)	786.4	274.4
1970	102.0	-420.0	210.2	-21.8	312.2	-108.2
1971	174.7	41.6	203.5	-3.3	378.2	-28.8
1972	228.7	23.6	206.0	1.2	434.7	22.7
1973	36.3	-530.0	247.7	16.8	284.0	-211.4
1974	68.8	47.2	361.4	31.5	430.2	-292.6
1975	714.7	90.4	333.4	-8.4	1,048.1	381.3

Source: National Archives Division, Fine Arts Department ⁵¹

⁵¹ Nibhatsukit, p. 98.

Table 2.5
Imported Products from India 1971–1975

(Unit: million baht)

Items	1971	1972	1973	1974	1975
Boiler, machinery	24.1	17.4	22.7	45.5	83.9
Metal products	30.1	49.1	36.8	73.5	59.7
Animal food products	11.9	31.9	7.2	8.1	26.7
Products for tanned leather and dye	3.8	8.7	13.9	17.2	15.6
Electrical machine, vehicle equipments	4.8	10.0	11.4	20.5	15.4
Pharmaceutical	6.4	8.4	10.7	12.7	14.7
Metal equipments	5.9	8.1	7.8	12.7	9.5
Camera and film equipments	4.7	3.3	1.4	5.7	8.9
Plaster products	1.4	2.9	4.5	6.2	8.4
Cotton	7.4	7.0	36.5	17.7	4.8
Others	103.0	59.2	94.8	141.6	85.8
Total	203.5	206.0	247.7	361.4	333.4

Source: Department of Business Economics ⁵²

⁵² Channongsai, p. 40.

Table 2.6
Exported Thai Products to India 1972–1975

(Unit: million baht)

Items	1972	1973	1974	1975
Rice	183.4	0.1	0.1	678.8
Wolfram	7.3	2.4	0.0	14.6
Leather	10.8	11.3	11.5	8.9
Bagasse	0.6	1.9	18.5	4.0
Rubber	0.0	0.0	0.0	2.9
Fuel	6.0	0.0	0.0	1.9
Jewelry	1.4	0.0	1.6	0.7
Feldspar, fluorspar	0.3	0.5	3.3	0.0
Antimony	8.9	6.5	19.1	0.0
Ores	0.0	0.0	0.0	0.0
Others	10.0	13.6	14.7	2.9
Total	228.7	36.3	68.8	714.7

Source: Department of Business Economics ⁵³

The trade between Thailand and India had been sustained during the 1980s with regard to the Indo-Thai relations on the economic front, but the volumes had not increased significantly (see table 7-9).

⁵³ Channongsai, p. 40.

Table 2.7

Thailand–India trade volume 1976–1985

(Unit: million US dollar)

Year	Export	Expansion Rate	Import	Expansion Rate	Trade Volume	Thai Trade Balance with India
1976	5.3	(n.a.)	42.8	(n.a.)	48.1	-37.5
1977	7.5	29.3	32.9	-30.1	40.4	-25.4
1978	14.0	46.4	26.8	-22.8	40.8	-12.8
1979	22.7	38.3	36.2	26.0	58.9	-13.5
1980	27.1	16.2	44.2	18.1	71.3	-17.1
1981	45.9	41.0	57.5	23.1	103.4	-11.6
1982	27.3	-68.1	35.9	-60.2	63.2	-8.6
1983	67.7	59.7	62.2	42.3	129.9	5.5
1984	85.3	20.6	36.9	-68.6	122.2	48.4
1985	70.2	-21.5	34.4	-7.3	104.6	35.8

Source: Customs Department ⁵⁴⁵⁴ Nibhatsukit, pp. 98-99.

Table 2.8
Imported Products from India 1983–1986

(Unit: million US dollar)

Items	1983	1984	1985	1986
Jewelry	26.8	19.9	18.0	32.9
Machine and equipment	4.2	3.7	2.9	5.6
Raw cotton	11.8	1.1	1.1	2.6
Frozen food	0.0	0.0	0.2	2.5
Biochemical	0.1	0.5	1.3	2.4
Synthetic dye	3.1	2.3	2.1	2.1
Metal products	5.0	1.0	1.3	1.6
Bicycle accessories	1.7	1.1	1.1	1.3
Soya beans	0.7	0.9	0.2	0.2
Others	8.8	6.4	6.2	3.0
Total	62.2	36.9	34.4	54.2

Source: Customs Department and Department of Business Economics ⁵⁵

⁵⁵ Channongsai, p. 44.

Table 2.9
Exported Thai Products to India 1983–1986

(Unit: million US dollar)

Items	1983	1984	1985	1986
White sugar	0.0	0.0	13.3	10.7
Nuts	9.6	9.0	35.4	9.9
Rubber	6.0	3.8	2.2	8.1
Paper pulp	0.0	0.0	0.0	3.9
Raw sugar	0.0	0.0	0.0	1.7
Lac	1.4	0.7	1.6	1.4
Tin	0.0	0.0	3.7	1.1
Carbon black	0.2	0.2	0.6	1.0
Zinc	0.0	0.0	2.3	0.7
Others	3.9	9.2	9.5	11.8
Total	67.7	85.3	70.2	51.1

Source: Customs Department and Department of Business Economics ⁵⁶

Since economic reforms and liberalization were launched, India has moved to the forefront of potential marketplaces and has been transformed into an opportunity for investment and trade. In addition, the relationship between India and ASEAN has also improved. Consequently, India was accepted as an ASEAN's full dialogue partner in 1995. At the same period, Thai government also tried to open the new markets for Thai goods. Consequently the "Look West" policy was formulated and implemented.

One concrete manifestation of Thailand's "Look West" policy was the Thai initiative for the establishment of a sub-regional economic cooperation grouping

⁵⁶ Channongsai, p. 45.

linking Southeast Asia and South Asia for the first time, which was initially called BIST-EC (Bangladesh–India–Sri Lanka–Thailand Economic Cooperation) and later called BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation). This sub-regional economic cooperation was officially inaugurated in Bangkok in June, 1997 which brought together Bangladesh, India, Sri Lanka and Thailand. A few months later, Myanmar joined the group. Nepal and Bhutan also joined this sub-regional economic cooperation in 2003.

The main areas of the cooperation were trade, investment, industry, transportation, infrastructure, science and technology, human resource development, energy, fisheries, agriculture, natural resources, and tourism. This economic cooperation had tremendous potential to bolster economic interaction between the emerging mega economies of South Asia and the booming economies of Southeast Asia. It helped in bringing ASEAN and SAARC⁵⁷ closer and in deepening bilateral relations, particularly economic relations between the member countries. A particularly important feature from the Indian point of view was the BIMSTEC should help greatly in the economic development of the North Eastern States of India, which were geographically remote from the rest of India and lagged behind in development despite considerable richness of resources.

The adjustment of the foreign policies in both countries positively affected economic relations. In 1991, there was virtually zero investment from Thailand in

⁵⁷ The South Asian Association for Regional Cooperation (SAARC) is an economic and political organization of eight countries in Southern Asia. In terms of population, its sphere of influence is the largest of any regional organization: almost 1.5 billion people, the combined population of its member states. It was established on December 8, 1985 by India, Pakistan, Bangladesh, Sri Lanka, Nepal, Maldives, and Bhutan.

India. Between then and the end of 1996, Thailand had emerged as the tenth largest investor in India.

India and Thailand have established several mechanisms and institutional linkages to broaden, deepen, and expand their economic relationship. In order to increase the trade volume between the two countries, a Joint Trade Committee was established in 1989. Since then this committee has worked continuously.

In addition, another joint commission was set up in 1989. The Joint Business Council was established in 1990, and one cooperation agreement has been signed between the Board of Investment of Thailand and the Foreign Investment Promotion Bureau of India.

In retrospect, the Cold War of the two superpowers had intensified the disputes in the region wherein the ideological and strategic issues predominated the deliberations at the regional and global level. The China factor and Cambodian crisis were the preoccupations of nations in the Asia-Pacific. Although the end of the Cold War in 1991 offered some new opportunities, some new challenger also emerged. Accordingly the countries of the region began to review their old policies and alignments. Indian-Thai relations which had been marginalized as a consequence of the Cold War got new life and meaningful dimension in the Post-Cold War era. Both understood the importance of one another and took initiatives to make the relations more vibrant and beneficial. Indian Prime Minister Rajiv Gandhi had done some necessary homework when he went to Thailand on an official visit in October 1986.

This was surprisingly the first visit by an Indian Prime Minister to Thailand after independence in 1974.⁵⁸

Prime Minister Rajiv Gandhi tried to provide economic dimensions to the existing relations and thus the Indo-Thai Joint Business Committee (JBC) was established to explore possibilities of promoting trade, cultural and educational interaction. This committee suggested some measures to promote bilateral trade and both sides showed keenness to implement it.

Thai Prime Minister Chatichai Choonhavan later took an initiative to strengthen ties. He reciprocated the visit of the Indian Prime Minister and came on a state visit to India in 1989. Being an astute businessman, he admired the role of the JBC and wished to upgrade it. Thus the JBC was renamed the Indo-Thai Joint Business Council/Indo-Thai Joint Trade Commission and entrusted with the task to promote trade on the lines suggested earlier by the JBC. Prime Minister Chatichai took personal interests in the success of the JBC and business targets for 1990–92 were fixed in New Delhi. The bilateral trade picked up momentum, and both sides felt happy at the satisfactory progress.⁵⁹

It is interesting to know that the trade turn-over was quite encouraging. According to the Joint Trade Commission spokesman, the trade plan projected for 1990–92 had been achieved in 1991 itself. The target of USD 1 billion was achieved within 18 months and there were prospects of boom. India exported gems and precious stones, cotton and fabric, machinery and parts, urea and fertilizers to Thailand while imported pulses, rubber, machinery, synthetic fibers and inorganic

⁵⁸ Jha, *Indo-Thai Relations*, pp. 155-156.

⁵⁹ *Ibid.*, p. 156.

chemicals. The export of gems during 1989–91 rose from 10% to 75% and earned India about USD 600 million, cotton and fabric about USD 60 million, and leather and fodder about USD 40 million in 1991. The Joint Trade Commission in the meanwhile explored avenues of trade in other sectors like textiles, machinery, pumps, diesel engines, vehicle parts, organic and inorganic chemicals, dyes, and hand tools.

India's investment relations with Thailand also started growing. Being ranked the 13th largest investor in Thailand, India is involved in 20 joint venture projects in the fields of textiles, rayon, chemicals, dyestuffs, iron and steel products. India and Thailand agreed to expand collaboration in fishing, including joint ventures in deep sea fishing, fresh water and brackish water prawn farming, fish processing and study of tuna in the Andaman Sea.⁶⁰

Mr. P.V. Naraimha Rao gave new thrust to India's "Look East" policy and in that endeavor attached great importance to partnership with ASEAN. He was also interested in improving the investment climate and thought that Thailand could play a key role in that endeavor. He therefore decided to pay a state visit to Thailand coinciding with the meeting of the Indo-Thai Joint Commission in Bangkok in April 1993. He eloquently underlined the significance of a new orientation in India's foreign policy, in which Thailand occupied a key position as close and contiguous maritime neighbor. Thailand was indeed regarded as one of the gateways to expanding trade, investment and tourism ties with ASEAN. It had been admired as

⁶⁰ Jha, Indo-Thai Relations, p. 157.

India's major trade partner and Mr. Rao showed his eagerness for further cooperation and collaboration.⁶¹

The Indo-Thai Joint Commission was scheduled to meet to set up a target for 1993–95 endeavored to turn Thailand as one of the largest trade partners of India. New areas of cooperation were being explored and suggestions were given. Thailand has already emerged the sixth largest foreign investor in India. In 1993, Thailand had approved investments worth USD 120 million in areas like fisheries, chemicals, air-conditioning systems, hotel and tourism. Thai companies also signed agreements with Indian companies for joint ventures in the telecom sector.

Two-way trade between India and the ASEAN countries grew at a fast rate in the post-1991 period. India's exports to ASEAN-9 (excluding Cambodia) had grown from USD 1.77 billion in 1990 to USD 4.31 billion in 1996. On the other hand, India's imports from ASEAN-9 had grown from USD 1.38 billion in 1990 to USD 3.97 billion in 1996. The two-way trade between India and ASEAN as per Indian official data had grown more rapidly in the period 1993–94 to 1996–97. The relevant trade turnover had more than doubled from just over USD 2.5 billion in 1993–94 to 1996–97. This reflected 8% of India's global trade in 1996–97 (up from 6% share in 1993–94). Considering this healthy trend, India had set an ambitious target of USD 15 billion trade with the ASEAN countries for the year 2000–01⁶² (see table 10-12).

⁶¹ Jha, *Indo-Thai Relations*, p. 157.

⁶² *Ibid.*, p. 159.

Table 2.10
Thailand–India trade volume 1988–2000

(Unit: million baht)

Year	Export	Expansion Rate	Import	Expansion Rate	Trade Volume	Thai Trade Balance to India
1988	11,203.1	-	4,317.2	-	15,520.3	6,885.9
1989	2,325.7	-79.2	8,206.7	90.1	10,532.4	(5,881.0)
1990	1,620.4	-30.3	13,899.7	69.4	15,520.1	(12,279.3)
1991	1,616.7	-0.2	23,928.9	72.2	25,545.6	(22,312.2)
1992	1,660.7	2.7	8,505.3	-64.5	10,166.0	(6,844.6)
1993	1,870.4	12.6	13,231.5	55.6	15,101.9	(11,361.1)
1994	4,844.9	159.0	13,282.0	0.4	18,126.9	(8,437.1)
1995	7,231.9	49.3	15,676.9	18.0	22,908.8	(8,445.0)
1996	6,147.7	-15.0	16,213.5	3.4	22,361.2	(10,065.8)
1997	9,388.6	52.7	17,872.5	10.2	27,261.1	(8,483.9)
1998	11,663.5	24.2	17,956.2	0.5	29,619.7	(6,292.7)
1999	13,216.2	13.3	17,195.3	-4.2	30,411.5	(3,979.1)
2000	19,784.2	49.7	24,878.9	44.7	44,663.1	(5,094.7)

Source: Information and Communication Technology Center with cooperation of the Customs Department ⁶³

⁶³ Channongsai, p. 88.

Table 2.11
Exported Thai Products to India 1988–2000

(Unit: million baht)

Year	Agro-Products	Industrial Products	Agro-Industrial Products	Minerals and Oil	Others	Total
1988	10,234.20	784.5	4.3	150.8	29.3	11,203.10
1989	1,518.30	541.4	172.1	76.8	17.1	2,325.70
1990	645.2	884.2	4.1	72.5	14.3	1,1620.40
1991	472.8	867.5	237	34.3	5.1	1,616.70
1992	280.5	1,264.20	31.1	81.2	3.7	1,660.70
1993	410.7	1,295.70	87.8	54.2	22.1	1,870.40
1994	408.5	2,567.50	1,710.30	150.2	8.3	4,844.90
1995	1,389.90	5,336.60	435.2	50.3	19.8	7,231.90
1996	371.7	5,396.80	72.4	237.5	69.2	6,147.70
1997	571.5	7,707.60	419.1	657	33.4	9,388.60
1998	645.8	9,537.70	515.9	900	64.2	11,663.50
1999	751.5	9,947.50	2,171.60	306.7	38.9	13,216.20
2000	855.6	17,110.40	787	328.7	702.5	19,784.20

Source: Information and Communication Technology Center with cooperation of the Customs Department ⁶⁴

⁶⁴ Channongsai, p. 89.

Table 2.12
Imported Products from India 1988–2000

(Unit: million baht)

Year	Raw Materials and Half Products	Capital Products	Consumer Goods	Vehicles and Transport Equipments	Oil Products	Others	Total
1988	3,756.8	378.2	81.1	76.8	-	24.3	4,317.2
1989	7,535.7	448.7	132.8	51.0	-	38.7	8,206.7
1990	12,719.0	889.7	158.0	69.8	28.0	35.2	13,899.7
1991	22,595.1	700.7	184.3	60.8	355.2	32.7	23,928.9
1992	7,217.2	442.4	260.3	107.9	423.8	53.7	8,505.3
1993	11,864.3	879.8	280.0	91.9	78.5	37.1	13,231.5
1994	11,626.8	982.7	323.0	155.6	138.6	55.3	13,282.0
1995	13,534.1	1,311.8	495.0	99.7	143.0	93.4	15,676.9
1996	14,229.1	972.6	699.9	100.4	45.31	166.5	16,213.5
1997	15,105.2	1,469.1	814.7	78.8	376.2	28.6	17,872.5
1998	14,955.1	1,263.6	958.1	71.9	666.0	41.4	17,956.2
1999	14,315.4	1,191.2	1,337.4	106.3	197.4	47.6	17,195.3
2000	19,991.5	1,247.8	1,635.2	158.4	1,810.3	35.5	24,878.9

Source: Information and Communication Technology Center with cooperation of the Customs Department ⁶⁵

The major exports from India to the ASEAN countries in this period comprised agro-based products such as oil meals, edible nuts (ground nuts), sesame seeds, meat and meat products; textiles including cotton yarn, fabrics and readymade garments; drugs and pharmaceuticals; chemicals including inorganic, organic and agro chemicals; primary and semi-finished iron and steel; machinery (including textile machinery), transport equipment, and processed minerals. Apart from major products

⁶⁵ Channongsai, p. 90.

above, there were also goods and services, including sugar processing machinery, railway rolling stock, electrical equipments and machinery, gem and jewelry, automotive components, and above all, information technology including software development construction, health and educational services, and processed fruits and vegetables.

Despite the satisfactory increasing growth of India's trade with the ASEAN countries during the post-1991 period, the asymmetrical nature of this two-way trade did not materially change, as viewed from the ASEAN's worldwide exports in 1996. Similarly, exports from India had the amount of just 1.05% of total imports of ASEAN in 1996. Clearly the ASEAN's trade relations with India were still much below their potentials when considering their economic strength and untapped markets.⁶⁶

The volume of bilateral trade between India and Thailand was USD 248 million in 1991, rising to USD 644 in 1995-99 and remained the same in 1996-97. Indian exports to Thailand have gone up steadily in the 1990s, rising 58.6% in 1993, 18% in 1995, and registered a growth of 16.2% in the first half of 1996. Thai exports increased 12.6% in 1993, went up phenomenally by 159% in 1994, 49.3% in 1995, but dropped by 16% in the first six months of 1996. The decline was consistent with the general decline in Thai exports. The major items of Indian exports to Thailand were stones, primary and semi-finished steel, plant solvent extracts, chemicals, dyes, raw and finished cotton, drugs and pharmaceuticals, and machinery. Thai exports to

⁶⁶ Jha, *Indo-Thai Relations*, pp. 159-160.

India comprised pulses, rubber products, electrical machinery, tools and metal scrap and gems and ores, including rice at certain times.

Investment proposals from Thailand in the fields of fisheries, chemicals, air conditioning systems, hotel and tourism were approved in 1945–95. Indian investment of USD 25 million in Thailand was registered in the same period. There were 27 Indian joint ventures in Thailand involving about USD 16.5 million, where the approved investment from Thailand for the period of 1991–98 was Rs 24517.21 million.⁶⁷

Not only India and Thailand shared the perception about the security vacuum due to the American withdrawal from Southeast Asia and the potential threat from China, the northern neighbor, they also had similar views on the question of sovereignty over the Spratlys or on ethnic conflict or terrorism in the region. However Thailand and other ASEAN partners were interested in economic relations, exploring the potential markets, expanding their economic influence through India in Southeast Asia, They treated India as the gateway to enter into the SAARC market.

Thailand has developed a “Look West” policy to compliment India’s “Look East” policy. Thai Foreign Affairs newsletter stated that the conceptual basis of the “Look West” policy was to cope effectively and efficiently with the rapid change in the international political and economic environment in accordance with the reality of the Post-Cold War era. The “Look West” policy was also derived from the fact that Thailand recognized the promising economic potential of other regions beyond

⁶⁷ Jha, Indo-Thai Relations, p. 161.

Southeast Asia. The main objectives of the “Look West” policy as they summed were as followed:⁶⁸

- (i) to strengthen the existing bilateral relations with the target states, and;
- (ii) to seek potential markets and investment opportunities overseas and to promote foreign investment in Thailand.

Target states were countries in South Asia, Middle East and Africa. But South Asia was a gateway to the Middle East and Africa. In that connection, there was special reference to India, where they found promising economic environment, vast economic potential, cheap labor, and abundant natural resources.

In conclusion, Indian-Thai relations started getting on the right track in either economic or security matters. Both countries shared similar views, evolving common stands on the WTO and free trade. However it can be seen that these relations were constantly in a flux and depended on existing circumstances. The sustainable bond that binds the two countries is culture, which Thailand and India should maintain and attach importance to this aspect.

⁶⁸ Jha, Indo-Thai Relations, pp. 162-163.