



Beyond the Treaty:

Rebuilding the human layer in India's engagement with the Indo-Pacific



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Executive Summary

India has spent three decades building its Indo-Pacific Architecture-Act East, comprehensive partnerships with Japan, Korea and Australia, connectivity corridors, free trade agreements across the region. That work has largely succeeded, and the architecture is now substantially in place. The frontier has therefore shifted from securing market access to using it, and here the record is weaker: India claims only a fraction of the preferential access it has already negotiated. The largest available source of export growth requires no new negotiation at all.

The reason is not tariffs or infrastructure, both of which have absorbed serious investment for fifteen years. Three obstacles stand between an Indian firm and a first order in a regional market, and none of them is legal. The firm cannot tell which buyer in Jakarta or Hanoi is worth approaching. That buyer has no way to establish whether the firm is capable and will deliver. And neither side speaks the other's commercial language-standards, certification, payment terms, the etiquette of a first meeting. An agreement removes a tax. It cannot introduce two strangers.

What closes that gap is familiarity, and India holds more of it in this region than anywhere else on earth: a diaspora of twenty-two million, two thousand years of maritime exchange, and heritage restoration work across twenty-one countries. This is not sentiment. The Korean experience demonstrates that the trade effect of cultural exposure is measurable, and Korea built its instrument deliberately over thirty years. India's is older and already in place.

The difficulty is that nothing converts it into transactions. Conservation creates a reason to travel, mobility produces familiarity, chambers establish who is real, and officials turn a relationship into a shipment that clears the border. Each of these is done well. None can see the other three. The case binds hardest in services, roughly half of what India sells abroad, where a buyer purchases a judgement about competence rather than a product that can be inspected on arrival.

This paper proposes a standing multi-stakeholder platform anchored in Kolkata-coordinating rather than administering-carrying five instruments: verified counterparty directories with mentorship for first-time exporters, an annual review of how much of our existing agreements is actually used, a task force on mobility and professional qualification recognition, a working group linking restoration sites to tourism and craft exports, and a commissioned study testing the paper's own proposition against Indian trade data.

It should be tested first across the Purvodaya states and the North-East, where the states that share a border with Southeast Asia trade with it least, and where proximity and a free trade agreement have not been enough-because neither supplies discovery, trust or fluency.

Introduction

On the full moon of Kartik each year, residents of Cuttack gather on the banks of the Mahanadi before dawn and set miniature boats of banana bark and paper afloat, each bearing a lamp and a few flowers.¹ The ritual, Boita Bandana, opens a week-long fair known as Bali Jatra - the voyage to Bali - which commemorates the *sadhabas*, the merchant mariners of ancient Kalinga who departed on this day each year, when the monsoon reversed, for Java, Sumatra, Borneo and Bali.² The voyages themselves ended centuries ago. The festival did not; Bali Jatra is today among the largest open trade fairs in Asia, drawing crowds in the millions to the riverbank of a city whose ships no longer sail.³

The persistence of the ritual long after the trade it commemorates is not a curiosity of Odia folk practice. It is an accurate description of India's inheritance in the Indo-Pacific. Across the region, the cultural connection has outlived, and outlasted, the commercial traffic that created it. Indonesia's national carrier is named for Vishnu's mount; Bangkok's international airport bears a Pali name for the golden land, and the Ramayana is performed nightly in Yogyakarta and Siem Reap. Nor is this inheritance merely architectural or ceremonial. Some 21.83 million people of Indian origin live in the Indo-Pacific, amounting to 61.63 per cent of the entire overseas Indian population, of whom 15.8 million are Persons of Indian Origin whose families have been Malaysian, Fijian or Mauritian for four generations or more.⁴

India's institutional engagement with the region has been built with considerable success over three decades, through the Look East and Act East policies, summits, comprehensive partnerships, connectivity corridors and free trade agreements. That architecture is now substantially in place. The frontier has therefore shifted. The question is no longer whether India can secure market access and strategic partnership in the Indo-Pacific - it has - but how fully the access already secured is put to work by the firms, professionals, students and institutions who must use it.

This paper argues that the answer lies in a layer of the relationship that policy has tended to treat as atmosphere rather than infrastructure: the human layer. It begins with the historical exchange that produced that layer; examines what familiarity does for commerce and why trade agreements cannot substitute for it; accounts for why the layer has lain partly dormant; identifies the four sets of actors capable of activating it; considers why the case binds hardest in services; and proposes that the Purvodaya and North-Eastern states, where cultural memory is densest and commercial traffic thinnest, constitute the natural proving ground.

A Society Before It Was a Strategy

The term "Indo-Pacific" has been in common strategic usage for roughly two decades. The maritime society it describes is approximately two thousand years old, and its organising principle was wind. The monsoon reverses twice annually with sufficient reliability that a merchant departing the Kalinga or Coromandel coast in autumn could expect to be carried eastward and returned home months later on the counter current. Trade followed the wind, and a considerable cultural apparatus followed the trade: Sanskrit and Pali travelled as commercial languages and remained as liturgical ones; the Ramayana became the Thai *Ramakien* and the Javanese *Kakawin Ramayana*; temple architecture, court ritual, calendrical systems and legal vocabulary moved along identical routes.

¹ Bali Jatra, "Ministry of Tourism, Government of India, accessed September 22, 2026, <https://utsav.gov.in/view-event/bali-jatra>.

² Balabhadra Ghadai, "Kalinga Bali Yatra and the Maritime Trade of Odisha," *Odisha Review* (November 2019): 41–45.

³ "Declare Cuttack Bali Yatra a National Festival: Odisha BJD MP in Rajya Sabha," *ETV Bharat*, February 4, 2025.

⁴ Adam Wearne, "India's Footprint in the Indo-Pacific Region," Gateway House: Indian Council on Global Relations, July 24, 2025, <https://www.gatewayhouse.in/indias-footprint-in-the-indo-pacific/>.

Two characteristics distinguish this exchange from most historical diffusions of culture, and both bear directly on the argument that follows. The first is that it was never imposed. No Indian polity held territory in Southeast Asia, and there was no conversion campaign, no administering power and no treaty framework. Angkor Wat was raised by a Khmer king, Prambanan by a Javanese dynasty, My Son by Cham rulers. These are Southeast Asian achievements that drew on Indian material and adapted it to local purposes; the relationship was a prolonged collaboration between societies separated by water rather than transmission from a centre.

This point is not merely rhetorical; it sits inside a genuine disagreement among historians of the region, and it is worth being precise about which side of it this paper stands on. The older framework, associated with the French scholar George Coédès and his mid-century account of "Indianized states," treated Southeast Asia largely as a recipient - a periphery upon which a more developed civilisational centre impressed its script, its gods and its statecraft.⁵ That model has been substantially superseded. O. W. Wolters proposed "localization" as the more accurate description: the idea that Southeast Asian societies encountered Indian material selectively, stripped it of its original context and rebuilt it inside indigenous frameworks of kingship and cosmology that were already their own.⁶ Indian historians of the maritime Indian Ocean, notably Himanshu Prabha Ray, have extended this correction further, reading the archaeological record as one of exchange and network rather than transmission from a centre.⁷ The distinction matters here because it is the difference between a claim of influence and a claim of relationship, and only the second survives scrutiny. India's credibility in the region rests on the fact that it was never the exporter of a civilisation received elsewhere passively; it was one node in a system whose other nodes did their own work. This is the deepest source of India's regional credibility, and it is one no other major power in the Indo-Pacific can claim.

The second characteristic is that merchants carried it. The traders were the diplomats, and goods and grammar shared a hull. Commerce and culture in this region were not distinct domains requiring a bridge between them; they constituted a single activity. Their institutional separation is a result of the administrative practices of the modern world. Turning back and recovering their original unity is a proposition worth lingering on.

The inheritance is demographic as much as monumental. Tamil, Telugu, Bhojpuri and Gujarati are spoken across the Indo-Pacific as local rather than foreign languages. Chettiar banking houses financed Burmese rice cultivation into the twentieth century. Tagore is taught in Indonesian universities, and India and Indonesia have jointly designated 2026–27 as the Tagore–Dewantara Year, pairing him with Ki Hajar Dewantara, the founder of Indonesian national education, alongside collaboration on the restoration of the Prambanan temple complex.⁸ This accumulated familiarity is the substrate of the relationship, and everything built institutionally since 1991 rests upon it.

What a Treaty Can and Cannot Do

Assessed by instruments, India's regional position is strong and improving. ASEAN is India's fourth-largest trading partner, with bilateral trade reaching approximately \$128 billion in 2025–26 and accounting for around 11 per cent of India's global trade.⁹ The ASEAN–India Trade in Goods Agreement has eliminated tariffs on roughly three-quarters of tariff lines since 2010, with commitments to reduce a further tenth below 5 per cent, and the ongoing AITIGA review is designed to modernise it further.¹⁰ Comprehensive economic partnership agreements with Japan, Korea, Australia and the UAE are in force, and Sagarmala together with Maritime Vision 2047 represents more than a trillion dollars in committed port and corridor investment.

⁵ George Coédès, *The Indianized States of Southeast Asia*, trans. Susan Brown Cowing, ed. Walter F. Vella (Honolulu: University of Hawai'i Press, 1968).

⁶ O. W. Wolters, *History, Culture, and Region in Southeast Asian Perspectives*, rev. ed. (Ithaca: Cornell University Southeast Asia Program, 1999).

⁷ Himanshu Prabha Ray, *The Archaeology of Seafaring in Ancient South Asia* (Cambridge: Cambridge University Press, 2003).

⁸ "Indonesia, India Launch Prambanan Restoration, Tagore–Dewantara Year," *Antara News*, accessed September 22, 2026.

⁹ "India–ASEAN Trade Touches \$128 Billion in 2025–26," *Maritime Gateway*, July 9, 2026.

¹⁰ Enterprise Singapore, "ASEAN – India Free Trade Area (AIFTA)," Government of Singapore, accessed September 23, 2026, <https://www.enterprisesg.gov.sg/grow-your-business/go-global/international-agreements/free-trade-agreements/find-an-fta/aifta>.

The opportunity now lies in conversion. India presently accounts for roughly 2 per cent of ASEAN's total import basket, while ASEAN's share of India's exports stood at 8.99 per cent in FY25 against 11.38 per cent in FY18 - indicating that recent trade growth has been driven more by imports than by Indian market penetration.¹¹ The headroom, in other words, is very large, and it sits inside arrangements India has already negotiated.

The most instructive figure concerns utilisation. India's free trade agreement utilisation has historically hovered at approximately 25 per cent, against 70 to 80 per cent in mature trading economies.¹² This is best read not as a shortcoming but as the single highest-leverage source of export growth currently available: roughly three-quarters of the preferential access India has already secured remains to be claimed, at no additional negotiating cost. Indian exports to ASEAN stood at approximately \$39 billion in FY25; on an illustrative basis, raising utilisation toward the levels demonstrated elsewhere in India's own agreement network would represent a substantial gain realised entirely within commitments already made. Encouragingly, where support systems have been built, the response is immediate - utilisation under the India-Australia ECTA has reached 84 per cent.¹³ The variable, therefore, is not the agreement but what surrounds it.

That variable is largely human. Three obstacles typically stand between an Indian firm and a first order in a new regional market, and none of them is essentially a legal hurdle.

The first is discovery: a manufacturer in Ranchi or Aizawl has no reliable means of determining which importer in Jakarta or Hanoi merits a first approach, and no tariff schedule contains that information.

The second is verification: the foreign buyer cannot readily establish that the Indian firm is solvent, capable and likely to deliver, since commercial credit information is thin across much of the region and a certificate of origin attests to where goods were produced rather than the reliability of the seller.

The third is commercial fluency: standards regimes, testing and certification documentation, packaging conventions, payment terms, and the professional etiquette governing who is approached first and in what order. Practitioners consistently identify MSME awareness and certification infrastructure, rather than tariff levels, as the operative determinants of utilisation.¹⁴

Each of these is a relationship problem presenting itself as a trade problem. An agreement removes a tax; it cannot, by design, introduce two strangers or generate confidence between parties who have never met.

Where familiarity is already dense, by contrast, the economics follow it visibly. Singapore and Mauritius, two of the most recognisably Indian societies outside India, together account for approximately half of India's cumulative FDI equity inflows.¹⁵ Diaspora-owned firms routinely serve as the first customer and first distributor for Indian exporters entering regional markets, discharging precisely the discovery and verification functions described above. None of this was generated by a trade agreement, and none of it appears in one.

The input that most determines utilisation is therefore the input treaties are not built to supply - and it is the input the Indo-Pacific offers India in greater abundance than any other region on earth.

¹¹ India Brand Equity Foundation, "Market Spotlight: ASEAN," IBEF Export Newsletter, accessed September 23, 2026, <https://www.ibef.org/economy/quarterly-newsletter/market-spotlight-asean-q2>.

¹² "India Should Focus on FTA Implementation, Utilisation by Exporters," *Business Standard*, May 24, 2026.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, *Quarterly Fact Sheet: Fact Sheet on Foreign Direct Investment (FDI) Inflow from April 2000 to March 2025* (New Delhi, 2025), Annexure A, <https://www.dpiit.gov.in/static/uploads/2025/07/03ad41d0e0c3deb434e0520f5dda6df3.pdf>.

Why the Layer Lies Partly Dormant

Two explanations account for the gap between the scale of this asset and its present commercial use, and neither reflects on the quality of India's regional policy. Both are best understood not as neglect but as disembedding: the process by which an activity inseparable from social relation is extracted from it and reclassified as belonging to a different sphere of life entirely. Karl Polanyi, writing on the emergence of the self-regulating market as a nineteenth-century invention rather than a natural condition, gave this process its name; Mark Granovetter's later work in economic sociology supplied its mechanism, arguing that even in mature economies, transactions run on networks of trust and repeated contact rather than on price and contract alone.¹⁶ What follows is a history of how a trading relationship that had never needed disembedding - because it had never been separated from the social relations that carried it - was pulled apart anyway, by an administrative logic imported from elsewhere.

The first explanation is historical. The colonial economy reoriented the Indian littoral westward: Calcutta, Madras and Bombay were developed to move raw material toward a metropole rather than to trade across the Bay of Bengal, and within a few decades the commercial logic of the eastern seaboard was inverted. Partition severed Bengal and Assam from their riverine and coastal hinterland. The Burma frontier closed, and the Cold War produced strategic maps on which the Bay of Bengal occupied everyone's periphery. Within two generations a shared sea had become a back wall.

What did not survive this rupture is instructive. Trade requires an ongoing relation between two parties who must continually establish, across distance and time, that the other is solvent, honest and likely to deliver - precisely the discovery, verification and fluency functions examined in the previous section. Ritual requires no counterparty at all. A festival can be maintained by one community without reference to another; a language, a temple and a performance tradition require no external confirmation to persist, only an internal will to continue. So when the administrative and financial infrastructure that had carried the relationship was severed, what survived was exactly what did not depend on that infrastructure, and what disappeared was exactly what did. Bali Jatra is what remains when the boats stop: the memory of movement, preserved as ritual because ritual is the part of the exchange that never needed a counterparty to begin with. The disconnection is thus recent and man-made, which is precisely why it is reversible - and why the task of reversing it is a task of rebuilding relation, not of rediscovering a sentiment that was never lost.

The second explanation is architectural, and it is a coordination question rather than a capacity one. Cultural diplomacy, commerce, diaspora affairs and education are each ably served by their own institutions, and state governments - which operate most of the industrial estates, export promotion machinery and district-level institutions an exporting firm actually encounters - bring their own considerable capability. What no single body currently holds is the mandate to connect them: to treat a restored temple, a new visa regime, a student cohort and an export order as stages in one sequence rather than as outputs of four separate programmes. That connecting mandate is the gap this paper proposes to fill, and it is an addition to the existing architecture rather than a correction of it.

There is also a reason this connection has not formed on its own, and it is one of attribution rather than intent. No institution can plausibly claim credit for a temple restored in 2019 that contributes to an order placed in 2026, and no budget line is easily defended on benefits that diffuse. Where the gains from coordination accrue to everyone and to no one in particular, coordination tends not to occur without a body whose specific purpose is to make it visible.

¹⁶ Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (New York: Farrar & Rinehart, 1944); Mark Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology* 91, no. 3 (1985): 481-510.

That body should, by design, be a light one. The risk in proposing a coordinating mechanism is that it becomes a fifth institution requiring the same coordination the other four already lack. The role argued for here is narrower: not to run heritage restoration, mobility policy, chamber activity or export promotion, all of which are already competently executed by those who currently do them, but to hold the calendar and the map that let those four see each other - to know, for instance, that a temple restoration in Cambodia, a proposed visa waiver and a chamber's buyer directory in the same market are three instruments aimed at the same firm's first order, and to say so. A body with no programme budget of its own, whose only output is visibility across four existing mandates, has less to defend and less reason to become territorial about its own survival than a conventional new institution would.

The Work, and Who Does It

It is worth establishing at the outset that the effect this paper claims is not merely plausible but has been measured. The proposition that cultural familiarity generates commercial exchange is usually advanced as an article of faith; the Korean case has tested it with some precision. Applying a gravity model to cultural and consumer goods exports across 102 countries between 2001 and 2017, researchers found that a one per cent rise in exports of cultural products - film, music, broadcasting and publishing - was associated with a 0.136 per cent rise in exports of ordinary consumer goods to the same markets.¹⁷ Earlier work covering forty markets found the same relationship, with Korean broadcasting exports linked both to higher consumer goods sales and to higher inbound visitor numbers.¹⁸ Korea's trade and cultural agencies now treat this as an operating assumption rather than a subject of debate, and export promotion is organised accordingly.

The instrument Korea built was contemporary popular culture, assembled deliberately over three decades. India's instrument in the Indo-Pacific is older, deeper and already in place; the question is not whether the mechanism works but whether India has arranged itself to use it. That arrangement involves four stages, each of which resolves a different part of the problem set out in Section II.

Conservation creates the reason to travel

India has completed sixty heritage restoration projects across twenty-one countries, with fifty-two further projects underway in twelve more, the majority of them in the Indo-Pacific.¹⁹ Ta Prohm at Angkor, My Son in Vietnam, Vat Phou in Laos, the Ananda temple in Myanmar and now Prambanan in Indonesia are ordinarily accounted for as cultural diplomacy, and in one sense they are. Read alongside the Korean evidence, however, they are also the opening term in a commercial sequence: a restored site draws visitors, visitors sustain air routes, accommodation, guides and craft markets, and the craft economies that cluster around such sites - Odisha's filigree, appliqué and pattachitra traditions, sold each year at Bali Jatra itself - are themselves export categories, many of them carrying geographical indications.

This stage does not resolve discovery, verification or fluency; it does something prior to all three, which is to furnish a reason for a first visit, without which the later stages have no material to work with. It would follow that restoration projects should be planned from the beginning with their tourism, craft and educational consequences in view, rather than regarded as complete at the inauguration.

¹⁷ Chan-Ho Kim, Yoon-Say Jeong and Sang-Yeob Lee, "The Impact of Korean Wave on the Distribution of Consumer Goods Exports," *Journal of Distribution Science* 19, no. 4 (2021): 37–46.

¹⁸ Chan-Guk Huh and Jie Wu, "Do Hallyu (Korean Wave) Exports Promote Korea's Consumer Goods Exports?," *Emerging Markets Finance and Trade* 53, no. 6 (2017): 1388–1404.

¹⁹ Centre for Social and Economic Progress, *India's Heritage Diplomacy Database: Archaeology and Conservation Initiatives Since 2014* (New Delhi: CSEP, 2025), <https://csep.org/blog/indias-heritage-diplomacy-database-archaeology-and-conservation-initiatives-since-2014/>

Travel and study produce familiarity

Thailand's sixty-day visa-free regime, with Malaysia and Indonesia following, has coincided with increases in Indian visitor numbers of up to fifty per cent year on year, while airlines have opened non-stop routes linking Kolkata, Delhi, Mumbai and Chennai to Bangkok, Singapore, Kuala Lumpur, Hanoi and Bali.²⁰ Education performs comparable work: IIM Bangalore's first overseas campus is proposed for the Singhasari Special Economic Zone in Indonesia, fifty Quad scholarships worth \$500,000 bring students from across the region into India's premier technical institutions under the Wilmington Declaration, and the new Centre for Southeast Asian Studies at Nalanda University restores a research anchor to the region's oldest seat of transnational learning.²¹ This stage resolves the third of the three obstacles, that of commercial fluency, and it does so in a way no document can replicate: a manager who has spent four years studying in Bengaluru understands Indian documentation practice, and a founder who has visited Hanoi three times knows what a first meeting there requires. Visa facilitation, qualification recognition and direct connectivity are, on this reading, export instruments, and would benefit from being reviewed as such.

Chambers establish who is real

The function discharged by credit bureaux in mature markets is discharged in much of this region by chambers and business councils. The Bengal Chamber of Commerce and Industry, the ASEAN–India Economic Council and its country chapters across Malaysia, Vietnam and Laos, the Nepal–India Chamber of Commerce and Industry, the Union of Myanmar Federation of Chambers of Commerce and Industry and institutions such as JETRO exist in substantial part to answer a single question, which is whether a given counterparty is genuine. This stage resolves the first two obstacles simultaneously, since an introduction made by a chamber both identifies a specific buyer, which is discovery, and attaches the introducing institution's own standing to that buyer, which is verification. It is the point at which general familiarity becomes a particular commercial relationship, and it remains the most underused institutional capability in the whole arrangement. It is worth adding that the same capability serves the integrity of the agreements as well as their use: an infrastructure able to establish that a firm is genuine is also an infrastructure able to support origin verification, a concern common to customs administrations across the region. Verified buyer and supplier directories maintained jointly across the region's chambers, together with a structured means of pairing first-time exporters with established diaspora firms in their target markets, would give this stage the standing it currently lacks.

Officials convert the relationship into a shipment

Even a settled commercial relationship yields nothing at the border unless the certificate of origin is completed correctly, the destination standard is met and the preference is claimed. That conversion is performed by officials of the Indo-Pacific and States Divisions of the Ministry of External Affairs, the Branch Secretariat in Kolkata, state industry and export promotion secretaries, district industries officers under the Districts as Export Hubs initiative, DGFT zonal offices and the consular missions resident in Kolkata. It is here, and nowhere else, that the twenty-five per cent utilisation figure is actually determined, which is why this work deserves permanent institutional form: standing Indo-Pacific desks at state level, resourced for market intelligence, certification support and buyer introduction rather than for inward investment alone.

Each of these four functions is performed competently. The difficulty is that none can see the other three, with the result that a temple restored in Cambodia, a visa waiver negotiated in Bangkok, a buyer directory maintained in

²⁰ "Royal Thai Government Grants Visa Exemption for Tourists from India and Taiwan from 10 November 2023 to 10 May 2024," Ministry of Foreign Affairs, Kingdom of Thailand, November 8, 2023, <https://www.mfa.go.th/en/content/india-visa-exemption-2>; "Important Announcement on Visa Exemptions for Indian Passport Holders," High Commission of Malaysia, New Delhi, November 30, 2023; and Adam Wearne, "India's Footprint in the Indo-Pacific Region," Gateway House: Indian Council on Global Relations, July 24, 2025, <https://www.gatewayhouse.in/indias-footprint-in-the-indo-pacific/>, recording 175 direct air routes between India and twenty-five Indo-Pacific countries from twenty-eight Indian cities.

²¹ "Inauguration of Centre for Southeast Asian Studies at Nalanda University," Ministry of External Affairs, Government of India, March 31, 2026, <https://www.mea.gov.in/press-releases.htm?dtl/40993/inauguration-of-centre-for-southeast-asian-studies-at-nalanda-university>.

Kuala Lumpur and a certification clinic held in Guwahati are never recognised as four instruments bearing on the same firm's first order.

One principle governs the entire sequence, and it belongs at its centre rather than appended to its close. The 21.83 million people of Indian origin across the Indo-Pacific are not an instrument of Indian export policy, and the arrangement described here succeeds only to the degree that it declines to treat them as one. Their usefulness as intermediaries derives precisely from their standing within their own societies, as Malaysian citizens, Singaporean professionals, Fijian farmers and Mauritian financiers. Public policy and state-led cultural initiatives should therefore aim at what this conclave's framing describes as peaceful, well-integrated and highly inclusive diaspora communities: confident in their inheritance, secure in their local belonging, and consequently able to vouch credibly in both directions. Conservation, language and heritage programming serve that end directly, whereas instrumentalisation would erode the very credibility on which the third stage depends.

Where the Argument Binds Hardest: Services and Skills

The analysis so far has concerned trade in goods, but it applies with considerably greater force to trade in services. India's services exports reached \$421.3 billion in FY 2025–26, within combined goods and services exports of \$863.1 billion, so that approximately half of what India sells abroad cannot be placed in a container.²²

Services depend on the human layer by construction rather than by accident. A consignment of engineering goods can be verified on arrival by inspection; a legal opinion, an architectural design, a nursing qualification or a software engagement cannot. What the buyer is purchasing is a judgement about competence, and that judgement rests on recognised credentials, professional reputation and, very often, personal acquaintance. Discovery, verification and fluency accelerate trade in goods; in services they constitute it.

The corresponding barrier is mobility, and its cost has been quantified. Research drawing on the World Bank and OECD Services Trade Restrictiveness Index finds that visa and licensing restrictions on the temporary movement of professionals reduce bilateral services exports by roughly eight per cent, independently of other factors.²³ A restrictive visa regime is therefore a tariff under another name, levied on precisely those exports in which India is most competitive.

India's more recent agreements have begun to address this directly:

- The India–EFTA Trade and Economic Partnership Agreement incorporates mutual recognition arrangements in nursing, chartered accountancy and architecture.
- The India–Australia ECTA pairs provisions on temporary movement with frameworks for recognising professional qualifications.
- The India–UAE CEPA spans eleven services sectors and more than a hundred subsectors, with workable short-term deployment routes for Indian IT and consulting firms.
- The India–New Zealand agreement concluded in December 2025 places student mobility and skilled worker access at its centre rather than at its margin.
- The ASEAN–India Trade in Services Agreement, in force since 2015, provides for professional bodies to negotiate mutual recognition but leaves the initiative with those bodies themselves.²⁴

²² Ministry of Commerce and Industry, Government of India, services export data for FY 2025–26, reported July 2026.

²³ World Bank and OECD Services Trade Restrictiveness Index research on Mode 4 restrictiveness, summarised in PRS Legislative Research commentary on India's free trade agreements, 2026.

²⁴ Centre for Public Policy Research, "Mobility in Trade Agreements India: The Rise of Mode 4 Strategy," April 2026; and World Trade Organization Secretariat, *Agreement on Trade in Services between India and the Association of Southeast Asian Nations*.

That final provision identifies the opportunity. Mutual recognition is not concluded between governments but between institutes of chartered accountants, councils of architecture, nursing councils and bar associations, which are exactly the bodies a multi-stakeholder platform is positioned to convene and which a purely governmental process cannot instruct. Eastern India's concentration of medical, engineering, legal and accountancy institutions makes Kolkata a natural venue for that convening. Medical value travel offers the clearest existing demonstration: patients travel from Bangladesh, Myanmar and the Gulf to Indian hospitals on the strength of clinical reputation, shared language and family referral, a flow that no agreement produced and that the human layer sustains entirely on its own.

Purvodaya as the Proving Ground

Nowhere is the gap between cultural proximity and commercial distance wider than in the states that sit closest to Southeast Asia. Eastern India is not a peripheral economy. It is the mineral backbone and maritime gateway of the country, facing directly onto the sea routes that link South Asia to ASEAN. West Bengal exports approximately ₹1.10 lakh crore a year, Andhra Pradesh ₹1.65 lakh crore and Odisha ₹95,000 crore, overwhelmingly in engineering goods, iron and steel, aluminium, marine products and mineral concentrates moving through ports.²⁵ These are bulk categories, and bulk trades largely independently of who the buyer is: ore does not require a relationship, only a price and a berth.

The states that physically touch Southeast Asia record a different order of magnitude altogether. Mizoram exports roughly ₹2 crore a year, Manipur ₹10.4 crore, Nagaland ₹14 crore, Tripura ₹105 crore and Meghalaya ₹291 crore.²⁶ Andhra Pradesh exports something in the order of eighty thousand times what Mizoram does. These are states with land borders onto Southeast Asia, operating under a free trade agreement in force since 2010, with tariffs at or near zero on much of what they could sell.

The same pattern appears in inbound investment, which is a useful check because it is a different dataset measuring a different thing. Between October 2019 and March 2025, West Bengal attracted \$1.91 billion in FDI equity and Odisha \$173 million, against Maharashtra's \$88.68 billion. Over the same period Tripura recorded \$1.23 million, Meghalaya \$1.20 million, Nagaland \$60,000 and Manipur \$600.²⁷ The asymmetry is therefore not an artefact of how exports are counted. Capital and goods are telling the same story.

Proximity and preferential access have not, by themselves, produced trade, because neither supplies discovery, verification or fluency. The North-East, which possesses the deepest living cultural continuity with Southeast Asia, has the least developed commercial interface with it. If the activation of the human layer produces measurable export growth anywhere, it will produce it here. The policy environment is also unusually favourable, with the Union Budget 2026–27 committing to an East Coast Industrial Corridor anchored at Durgapur and five new tourism destinations across the Purvodaya states.²⁸

There is an existing institutional home for this work. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation brings together Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand, which is to say eastern India's immediate neighbourhood, and has adopted a Master Plan for Transport Connectivity covering some 264 projects alongside the Bangkok Vision 2030 framework for regional integration.²⁹ Its free trade area, agreed in principle in 2004, remains under negotiation. That is not a criticism but an illustration: two decades of treaty work have yet to produce a Bay of Bengal trade agreement, while the human layer across the

²⁵ Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce and Industry, state-wise merchandise export data, FY 2024–25.

²⁶ Ibid.

²⁷ Department for Promotion of Industry and Internal Trade, *Quarterly Fact Sheet: Fact Sheet on Foreign Direct Investment (FDI) Inflow from April 2000 to March 2025* (New Delhi, 2025), Annexure C.

²⁸ Nirmala Sitharaman, Union Budget Speech 2026–27, Government of India.

²⁹ BIMSTEC Master Plan for Transport Connectivity (2018–2028) and Bangkok Vision 2030, adopted at the Sixth BIMSTEC Summit.

same waters has been continuously in place for two thousand years. A platform organised around people-to-people connect would complement BIMSTEC's connectivity and socio-cultural agenda directly, and would give eastern India a role commensurate with its geography.

Kolkata is the natural seat for such a platform. It holds the consular presence, the chamber infrastructure, the expanding air links into Southeast Asia, the hinterland, and the civilisational lineage running from Nalanda and Tagore into the region. A standing multi-stakeholder body convened here, bringing together the Ministry of External Affairs, state governments of the eastern and north-eastern states, chambers and diaspora business councils, resident missions, professional bodies, universities and conservation authorities, might usefully be built around five instruments and no more:

1. A counterparty verification and mentorship compact, in which regional chambers maintain verified buyer and supplier directories and pair first-time exporters with established diaspora firms in target markets.
2. An annual utilisation review, tracking claimed preferential access by state and sector across the region's agreements and identifying where certification and documentation support would most raise it.
3. A mobility and recognition task force, addressing visa facilitation, professional qualification recognition, student flows and direct air connectivity as a single agenda, and convening the professional bodies on whom mutual recognition actually depends.
4. A heritage-to-commerce working group, linking Indian-supported restoration sites to tourism circuits, craft and GI export promotion, and the Tagore–Dewantara Year programming.
5. A commissioned evidence base, applying to India the method used in the Korean studies: testing whether Indian exports are systematically higher, after controlling for market size, distance and income, in markets with substantial populations of Indian origin. The proposition advanced in this paper is testable, and it has not yet been tested for India.

Two features of this design deserve emphasis, because both bear on whether it survives contact with practice.

The first concerns time. The five instruments run on two different clocks. Conservation and heritage work return over a decade; certification support, chamber directories and a utilisation review return within a quarter or two. A programme built only on the longer horizon will not survive its first budget cycle, and one built only on the shorter horizon will never accumulate the familiarity that the shorter instruments themselves depend on. The early, measurable gains are best understood as what purchases institutional patience for the slower ones, and the platform should be designed and reported on accordingly.

The second concerns limits. Familiarity is not a universal solvent. It does not make an uncompetitive product competitive, and it will not offset freight costs, inadequate testing infrastructure, non-tariff measures or the ordinary disciplines of quality and delivery. What it does is remove the obstacles that stand in the way before those disciplines are ever tested: the buyer who is never found, the seller who is never trusted, the paperwork that is never attempted. Claiming more than that would weaken what the evidence genuinely supports.

Conclusion

The case advanced here is not that culture should be added to India's Indo-Pacific economic strategy, but that in this particular region culture and commerce were never separate to begin with, and that separating them administratively has left the most valuable asset India holds outside the machinery designed to use it.

The measures of success should be correspondingly concrete. Within three years it should be possible to report the number of first-time exporters from the Purvodaya and North-Eastern states entering Indo-Pacific markets; the movement in preferential utilisation rates by state and sector; student, professional and tourist flows in both

directions; the number of mutual recognition arrangements concluded between Indian and regional professional bodies; the number of restoration sites converted into functioning tourism and craft circuits; and the volume of transactions initiated through chamber and diaspora introduction. These are ordinary, auditable numbers, and their ordinariness is the point.

Every year the boats go out on the Mahanadi, and every year they carry the memory of a commercial society that reached from Kalinga to Bali without a single treaty to authorise it. India now has the treaties. It has the corridors, the ports, the partnerships and the standing. What remains is to put people back into the sequence, so that the law finally catches up with the memory - and so that the voyage is once again something the region does, rather than something it remembers.

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