

BIMSTEC SUMMIT

BIMSTEC is regional group of seven countries - India, Nepal, Bangladesh, Bhutan, Sri Lanka from South East Asia and Myanmar, Thailand from South East Asia, lying in littoral and adjacent areas of Bay of Bengal constituting contiguous regional unity.

Why in News?

Recently, the 4th summit of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) was held in Nepal.

More about 4th summit

The meeting is taking place after a gap of four years, the 3rd BIMSTEC Summit took place in Nay Pyi Taw in 2014.

Several important decisions taken in the summit include:

Drafting a charter for BIMSTEC, which has functioned so far on the basis of the Bangkok Declaration of 1997.

Setting up of a Permanent Working Committee to provide direction during the period between two summits and also to prepare the Rules of Procedure.

Enhancing the institutional capacity of the BIMSTEC Secretariat including through Financial and Human Resources in order to enable it to coordinate, monitor and facilitate grouping's activities.

Establishing a BIMSTEC Development Fund, with voluntary contributions from the Member States.

Welcoming Thailand's new Strategy proposing to streamline to five pillars (viz. connectivity, trade and investment, people-to-people contacts, security, and science and technology) as a part of rationalisation of focus sectors

Strongly condemn terrorism in all its forms and manifestations.

Achievements of BIMSTEC

BIMSTEC Coastal Shipping Agreement and BIMSTEC Motor Vehicle Agreement (MVA) are being negotiated.

BIMSTEC countries have completed negotiations for the Memorandum of Understanding (MoU) on the establishment of the BIMSTEC Grid Interconnection.

BIMSTEC Agreement on Mutual Assistance on Customs Matters has been signed and is under ratification.

Considerable progress has been achieved in areas such as cooperation among national security agencies, cooperation to check security threats such as smuggling, human trafficking, drugs and piracy, etc.

Secretariat has been established at Dhaka along with few BIMSTEC Centres in the region.

Significance of BIMSTEC

Around 22% of the world's population live in the seven countries around the Bay of Bengal, with a combined GDP close to \$2.7 trillion. A fourth of the world's traded goods cross the bay every year.

It has high economic potential, given the region's economic dynamism, huge markets and rich natural resources.

It appears as a connector to multiple regional initiatives. Among seven-member countries, five members of BIMSTEC are also members of SAARC, two are part of ASEAN and six are part of SASEC.

Bangladesh views BIMSTEC as a platform to position itself as more than just a small state in the Bay of Bengal and Sri Lanka sees it as an opportunity to connect with Southeast Asia and serve as the subcontinent's hub for the wider Indian Ocean and Pacific regions.

For Nepal and Bhutan, BIMSTEC stands to further their aspirations to reconnect with the Bay of Bengal region and escape their landlocked geographic positions.

For Myanmar and Thailand, connecting more deeply with India across the Bay of Bengal would allow them to access a rising consumer market and, at the same time, balance Beijing and develop an alternative to China's massive inroads into Southeast Asia.

Importance for India

For India, it is a natural platform to fulfil our key foreign policy priorities of 'Neighbourhood First' and 'Act East'.

It could develop codes of conduct that preserve freedom of navigation and apply existing law of the seas regionally.

Stagnation of SAARC is also a key reason for India to reach out to BIMSTEC as stagnation limited the scope of India's growing economic aspirations as well as the role it could play in improving regional governance.

It could stem the region's creeping militarisation by instituting, for instance, a Bay of Bengal Zone of Peace that seeks to limit any bellicose behaviour of extra regional power.

BIMSTEC provides new battleground for India-China. It could allow India to push a constructive agenda to counter Chinese investments such as in Belt and Road initiative, and follow international norms for connectivity projects which Chinese projects are widely seen as violating.

Challenges

BIMSTEC Free Trade Agreement which was negotiated in 2004 to boost the intra-regional trade from its present level of 7% to 21% is yet to be finalized.

India-Myanmar-Thailand Trilateral Highway has yet not been completed, which is crucial to trade movement between the countries.

It has slow pace of growth due to absence of focus on areas of cooperation, weak institutional mechanism, financial constraints etc.

BIMSTEC has the advantage of having a number of rising economies in the region but it is one of the least integrated parts of the world.

Maritime Security Issues: on 2015 Rohingya refugee crisis has made thousands of 'boat people' vulnerable to recruitment by criminal networks, sea pirates, and Islamist militants.

Terrorism is the most significant threat in the Bay of Bengal region as well as South East Asia and there is need for more cooperation amongst the member states on this issue.

At present, maritime security cooperation initiatives within the sub-region do not include all the coastal Bay states- for instance, CORPAT exercises, Milan exercises, and the 'IO-5' grouping.

Lack of consistency in the Summit: In its 2 decades, BIMSTEC leaders met only thrice at the summit level.

The Bay is also prone to some of the most severe natural disasters, incidents of sea piracy, and illegal, unreported, and unregulated (IUU) fishing.

Way forward

To make BIMSTEC further lucrative, there is a need for increasing its membership base. BIMSTEC should consider expanding its membership to Indonesia, Malaysia, and Singapore - the three major Asian powers.

BIMSTEC shall give special focus on BIMSTEC cross-border e-commerce and digital connectivity. It may also consider opening a negotiation on BIMSTEC Railway Agreement.

More socio-cultural interactions will build greater sense of ownership of BIMSTEC among the people of the region.

A regional trade facilitation agreement is also needed for cooperation in the matter of customs, training and capacity building, exchange of information, settling disputes, etc. It should also aim for regulatory harmonisation to ensure export of goods without requiring additional certification.

Strengthen IPR cooperation to help countries move higher up in the technology ladder, encourage transfer of technology and stimulate innovation and creativity.

BIMSTEC countries should facilitate air connectivity, particularly to link India's Northeast with Bangladesh, Myanmar and Thailand. It may prove to be a catalyst for promotion of tourism and services trade.

BIMSTEC should consider forging tie-ups with other multilateral organizations in areas like manpower training and knowledge exchanges.