

## BIMSTEC and India in 2024 - Analysis

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**Abstract** - The Bay of Bengal coastline and neighbouring countries of India, Thailand, Myanmar, Nepal, Bangladesh, Sri Lanka, and Bhutan are members of the interregional organization known as BIMSTEC, which has its headquarters in Dhaka. BIMSTEC has become the “preferred platform” for regional cooperation in South Asia as a result of setbacks to the South Asian Association of Regional Cooperation (SAARC), especially when its 2016 summit, was planned to be held in Pakistan but postponed due to member countries’ withdrawals. However, BIMSTEC has drawn criticism for missing key deadlines 23 years after its founding. Experts have also criticized the organization’s insufficient reaction to problems like the Rohingya crisis, which affects three of its members: Bangladesh, India, and Myanmar.

**Keywords:** BIMSTEC, SAARC, SCCO and India.

**History and Background:** The “**Bay of Bengal Initiative for Multi-Sectorial Technical and Economic Cooperation**” (hereinafter to be referred to as “**the BIMSTEC**” or “**BIMSTEC**”), is an international organisation. Comprising of Seven South Asian and South-East Asian countries which are directly dependent on The Bay of Bengal. These countries have a combined population of 1.8 billion and a GDP of \$4.4 Trillion. The countries are Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand. BIMSTEC was formed in Bangkok (06<sup>th</sup> June 1997) under the name BISTEC (standing for Bangladesh, India, Sri Lanka, and Thailand Economic Cooperation). Then on 22<sup>nd</sup> December 1997, with the inclusion of Myanmar, the group was renamed to BIMST-EC (standing for Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation). In 1998, Nepal joined as an observer; and in February 2004, Nepal and Bhutan joined as full members. Finally, on 31<sup>st</sup> July 2004, the organisation had its first Summit as BIMSTEC<sup>1</sup>.

**Objectives and Functioning:** BIMSTEC has 14 priority sectors of cooperation and several “BIMSTEC centres” have been established to focus on those sectors<sup>2</sup>. Member nations are each designated as “Lead Countries” for each of the 14 sectors. The leadership of BIMSTEC is rotated among its member nations, in alphabetical order. The Chairmanship of the BIMSTEC has been taken in rotation commencing with Bangladesh (1997–1999)<sup>3</sup>. While its permanent secretariat is in Dhaka, Bangladesh; and India contributes 32% of the total expenditure incurred in its upkeep<sup>4</sup>. However, on 30<sup>th</sup> March 2022, a decision was made to reduce, re-constitute, and reconstruct the large and unwieldy 14 sectors into more streamlined 7 sectors.

Trade, Investment and Development - Bangladesh  
Environment and Climate Change - Bhutan

Security and Energy - India  
Agriculture and Food Security - Myanmar  
People-to-people Contact - Nepal  
Science, Technology and Innovation - Sri Lanka  
Connectivity- Thailand

**The BIMSTEC is a Trade Organisation :** The **BIMSTEC Free Trade Area Framework Agreement** (hereinafter to be referred to as “**BFTAFA**” or “**the BFTAFA**”) has been signed by all member nations of the BIMSTEC. The agreement was signed<sup>5</sup>: To simulate trade and investment between the Treaty Parties, attract outsiders and encourage them to trade and invest in the BIMSTEC members at a higher level. A Trade Negotiation Committee (TNC) was set up with Thailand as its permanent chair. It aimed to negotiate<sup>6</sup>:

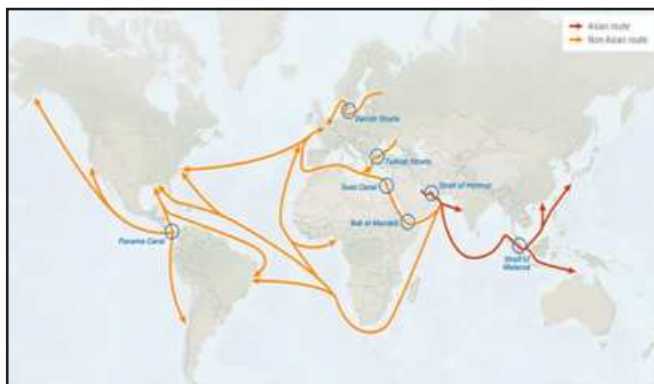
- Area of Trade in goods and services
- Investment
- Economic Co-operation
- Trade facilitation and assistance for LDCs.

A breakthrough can be seen in the formation of the **BIMSTEC Coastal Shipping Agreement** (hereinafter to be referred to as BCSA) draft, discussed on 01<sup>st</sup> December 2017; to facilitate shipping within 20 nautical miles of the coastal regions of member nations to boost trade. Coastal shipping is entirely different from high-seas trading as vessels are often smaller and lighter compared to high-sea shipping. Moreover, all the member nations should use the gift of nature in form of the Bay of Bengal more for the Transportation of Goods, Services and People<sup>7</sup>. The two immediate challenges faced by the agreement when it becomes an agreement would be inculcating coastal shipping ecosystems and energy infrastructure. Similarly, the **BIMSTEC Conclave of Ports** summit was held at Vishakhapatnam, India<sup>8</sup>.

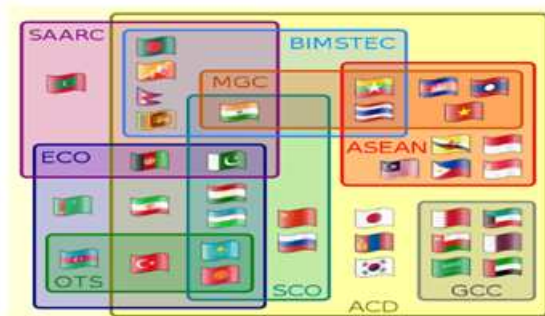
**Strategic Significance of BIMSTEC:** As a collective of

stakeholders who are directly dependent on the Bay of Bengal for trade and transportation of people. BIMSTEC would represent a stronger case for the interest of these nations. As observed in the partnership between the BIMSTEC and Asian Development Bank (hereinafter to be referred to as ADB). Both organisations have made a strategic partnership to undertake a study on “**BIMSTEC Transportation and Logistic Study**” (BTLS)<sup>9</sup>. Similarly, BRICS under the initiative of India invited members of BIMSTEC, so that the former can increase its regional outreach<sup>10</sup>.

The Bay of Bengal acts as a crucial location in the transportation of goods and crude oil, from the gulf nations to China, South Korea and Japan<sup>11</sup>. Three of the biggest importers of Gulf Oil, while the trade route passes through minimal space from the Bay of Bengal; but all oil traders have to pass through the Strait of Malacca. This is an untapped strategical feature for BIMSTEC to increase its influence in the region by guaranteeing the security and logistical support to pass through the Strait.<sup>12</sup>



## Role of India in BIMSTEC



**Figure 1: India as a nexus of various Regional Organisations.**

India in its “Look East Initiative” intends to focus on strengthening and deepening its relations (strategic, military and trade) with South East Asia to emerge as the regional power broker in the region. This initiative was majorly taken upon by the country to counter the increasing influence of China on both the global scale as well as regional Asia, especially around the Indian Sub-Continent<sup>13</sup>. It has been a part of India’s Foreign Policy since 1991 and has seen

smooth functioning through various regime changes in the country.

However, since 2014, under the leader of the BJP-led Coalition, India upgraded to the “Act East Policy” and the country has now become even more aggressive in its approach to South East Relations and Diplomacy<sup>14</sup>. India, along with other BIMSTEC countries, is exploring energy opportunities at the Rakhine coast of Myanmar in the northern part of the Bay of Bengal. India lies in a very strategic position in Asia, it has a dominating position in the Indian Ocean, thus also on the Arabian Sea and Bay of Bengal through its mainland coastline as well as Lakshadweep and Andaman-Nicobar Island chains. On the continent, India lies between many historic and modern strategic trade routes.

**SAARC and BIMSTEC: The Pakistan Issue<sup>15</sup>:** Both South Asian Association for Regional Cooperation (SAARC) and BIMSTEC are regional Asian organisations, and both of them started as an economic collaboration but later metamorphosed into a political stage. And both share five common nations: influenced by politico-strategic factors. Five of the members – India, Nepal, Sri Lanka, Bhutan and Bangladesh. But both organisations diverge into two separate entities. While BIMSTEC has kept up with changing times, SAARC has shown signs of slowing down. In the 30 years of its history, annual SAARC summits have been postponed 11 times for political reasons, either bilateral or internal.

Another problem has been the unwillingness of Pakistan to cooperate as a willing partner: leading to Numerous agreements and institutional mechanisms established under SAARC not being adequately implemented. Pakistan did not sign the SAARC–Motor Vehicle Agreement (MVA)<sup>16</sup>. This dragging of feet by the ‘rogue’ member nation led India, Nepal, Bhutan and Bangladesh to sign BBIN Vehicles Agreement, in 2015. Similarly, Pakistan objected to the SAARC Satellite Project and thus the project had to be abandoned<sup>17</sup>. While cross-border terrorism emanating from Pakistan is a major concern for India, Sri Lanka and Afghanistan; Pakistan has failed to address these concerns. Many countries started levying the complaint that India is acting as the Hegemon (or the Big Brother in the group), thus changing the agenda to Indian agenda.

## Conclusion and Suggestions:

**“..... Make the Bay of Bengal, the bridge of connectivity, prosperity and security.”**

**- Narendra Modi, PM India @ BIMSTEC 2022**

Well, this can be the thesis statement of BIMSTEC, however, this also shows what the critiques of the organisation call its biggest flaw. That is the Indian Agenda and its shadow over the organisation. BIMSTEC is supposed to be a robust, independent and working organisation. BIMSTEC needs to evolve with the times or it will collapse under the expectation levied by its member nations like how SCCO and SAARC. So, it needs to expand

and give itself a greater meaning for its survival and existence. If BIMSTEC needs to survive and thrive as a trade/treaty organisation it needs to increase strategic members in its alliance.

1. Malaysia is a must, it's the country closest to the Bay of Bengal and has control of Strait Malaka. It will help the trade organisation to leverage better treaties with Chin and will help Japan and South Korea to be a more willing listeners to the interests of member nations.
2. Vietnam, Indonesia and Cambodia: In the era of China plus one, both of these nations will have increased trade as countries with competitive manufacturing. And these countries have two options to export the finished products and import the raw materials: either to rely on China and the South China Sea or rely on the BIMSTEC Partners for a more beneficial deal.
3. Maldives: as an Island Nation, India being it's one of the closes allies and biggest trade partners. It would be forthe mutual benefit of both nations to have a long partnership.

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