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Accelerating Regional  
Cooperation in BIMSTEC

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## ACCELERATING REGIONAL COOPERATION IN BIMSTEC

### In Context

- India recently seconded a senior diplomat to drive BIMSTEC as its **fourth Secretary-General (SG)**.
  - ♦ Accelerating regional cooperation in BIMSTEC is going to be the defining task of the new Secretary-General.

### BIMSTEC

- **About:** The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a multilateral regional organisation.
- **Aim:** It was established with the aim of accelerating shared growth and cooperation between littoral and adjacent countries in the Bay of Bengal region.
- **Origin and Membership:** It was founded as **BIST-EC**, in June 1997, with the **adoption of the Bangkok Declaration**, with **Bangladesh, India, Sri Lanka and Thailand** as members.
  - ♦ It became **BIMST-EC** (Bangladesh, India, **Myanmar**, Sri Lanka and Thailand Economic Cooperation) with the entry of Myanmar in late 1997, And eventually, it was named in its current form, when **Nepal and Bhutan became members in 2004**.
  - ♦ **Strength:** The BIMSTEC region hosts **22% of the world population** or 1.68 billion people; and the member states have a **combined GDP of US\$3.697 trillion/per year**.
  - ♦ **Working Mechanism:** Policy making would be done through two types of meetings:
    - **Summits**, which are supposed to be held every two years; and
    - **Ministerial meetings of Foreign and Commerce Ministers** of member countries for deciding on trade and economic affairs, to be held once every year. An **operational meeting of senior officials** to monitor the activities of the grouping is also supposed to be held twice a year.

### Significance

- **Need of formation:** The Bay of Bengal region was one of the **world's most integrated regions** until the early twentieth century.
  - ♦ But, after the 1940s, members of the region became independent and pursued separate goals and alliance systems, the **region's sense of community** has almost completely eroded.
  - ♦ So, the aim of setting up the regional grouping was **not to create a new region for cooperation but to revive the connectivity and common interests** of the members of the Bay of Bengal region.
- **Acting as a bridge:** Its significance lies in the fact that it serves as a direct link **between South Asian and South East Asian countries** through intra-regional collaboration.
  - ♦ It represents a reinforcement of relations among these countries.
- **Sector-driven approach:** What makes BIMSTEC different from other regional groupings such as **SAARC or ASEAN** is that it is a **sector-driven organisation**.
  - ♦ This means the goals or areas of cooperation are divided between members, for instance, out of the multiple sectors like **trade, energy, transport, fishery, security, culture, tourism** and so on.
    - For example, India was made responsible for areas like transportation, tourism and Counter-Terrorism earlier.
    - After which, India was BIMSTEC's pillar for security; this will include areas of **counter Terrorism and Transnational Crime (CTTCC) Disaster Management and Energy**.
- **Alternative to SAARC:** The progress of SAARC has stalled over the years due to Indo-Pak relations and what experts call Pakistan's obstructionist approach to the organisation.
  - ♦ BIMSTEC emerged as an alternative platform for cooperation.

## India & BIMSTEC

- **Importance of BIMSTEC for India:** For India, BIMSTEC aligns with its **'Act East' policy** for greater regional cooperation in southeast Asia.
  - ♦ It could also be seen as aligning with **India's larger goal to gain trade and security prominence** in the Indian Ocean region and to cater to the concept of the 'Indo-Pacific' region, a major focus of Quad countries.
  - ♦ Another important factor for India in becoming a prominent **leader in the Bay of Bengal** and maintaining **peace and security**.
- **India's efforts:** India also made efforts to enhance the pace of BIMSTEC's progress in recent years.
  - ♦ **The BIMSTEC Energy Centre** was set up in **Bengaluru**, along with the **BIMSTEC Business Council**, a forum for business organisations to promote regional trade.
    - It aims to create free-trade and power grid interconnectivity agreements, and a masterplan for transport connectivity in the Bay of Bengal region.

## Challenges

- **Sluggish pace:** The first and major challenge, according to foreign policy researchers, is a lack of efficiency and "sluggish" pace of BIMSTEC's progress.
  - ♦ The **inconsistency in holding policy making** and **operational meetings** is also a concern.
- **Inadequate assistance:** BIMSTEC secretariat also suffers from **inadequate financial and manpower assistance** for its operational activities.
- **Trade challenges:** India's percentage of annual trade with BIMSTEC countries as a percentage of its total foreign trade was in the double digits in the 1950s, but **was just 4% as of 2020**.
  - ♦ Inter-regional trade within BIMSTEC countries also varies significantly; research shows that member countries trade with each other in terms of the **proximity, availability of trade routes and the size of the country's economy**.
  - ♦ Notably, it was also seen that a lot of the time, BIMSTEC member countries don't import goods that are manufactured and exported by other members, instead importing from other non-member countries.
- **Absence of connected coastal ecosystem:** BIMSTEC members are yet to build a **shared and lucrative coastal shipment ecosystem** and also grapple with frequent **detention of fishermen** who cross territorial borders.
- **Challenges faced by members:** In recent years, the progress of BIMSTEC has also been underscored by Bangladesh-Myanmar relations over the Rohingya refugee crisis, the India-Nepal border issue, and most recently, the political situation in Myanmar.
  - ♦ The first half of 2024 may witness elections in Bhutan, Bangladesh, India and Sri Lanka. Most likely, there will be further delay in holding the Summit.

## Suggestions & way ahead

- **Trade** is one of the priority areas of the BIMSTEC.
  - ♦ The progress needs to be made in the BIMSTEC **Free Trade Agreement (FTA)**.
- BIMSTEC's **connectivity plan** is ready, but the **real implementation** is yet to start.
  - ♦ Since the BMCA is ready, the Secretariat may pick up the maritime sector (example, ports, IWT, and shipping) as low-hanging fruit to start with. Besides, **trade and transit facilitations** must be given top priority along with energy and digital connectivity.
- Overall, **a stronger secretariat is a must** to drive meaningful interactions among member-states.

## DAILY MAINS QUESTION

Analyse the significance of Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) for India & the region. What are the challenges faced by the organisation?