



The Fourth BIMSTEC Summit 2018: Outcome

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The Fourth Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Summit that was held in Nepal on August 30-31, decided to strengthen mutual cooperation. Represented by Heads of State and Government, the Summit was preceded by the 16th Ministerial Meeting and 19th Session of the Senior Officials Meeting, where similar concerns were put forward.

The theme of the Summit, “Towards a Peaceful, Prosperous and Sustainable Bay of Bengal Region”, encompasses the motives, agenda and vision of the member states. Noting the opportunities and complementarities that the Bay of Bengal region provides, including natural resources, cultural and trade links, Indian Prime Minister emphasised on the important component of connectivity that includes ‘trade and economics, transport and people to people contacts’.¹ While laying emphasis on geography, identity and heritage, the PM of Nepal, described BIMSTEC ‘as an identity rooted in civilizational heritage and values, a destiny shaped by geographical potential and above all a Commitment by member countries to deepen economic cooperation’.²

Acknowledging the importance of cooperation, the Summit declaration states that, solutions to common problems and threats faced by all the member states lies in mutual cooperation. It also highlighted the progress made in sixteen sectors thus far. The information

¹ Ministry of External Affairs, Government of India, “Translation of Prime minister’s Statement at BIMSTEC Plenary Session (August 30,2018), <https://www.mea.gov.in/Speeches-Statements.htm?dtl/30332/Translation+of+Prime+Ministers+Statement+at+BIMSTEC+Plenary+Session+August+30+2018>. Accessed on September 1, 2018.

² Ministry of Foreign Affairs, Government of Nepal, “Opening Statement by the Right Honourable K.P. Sharma Oli, Prime Minister of Nepal at the Inaugural Session of the Fourth BIMSTEC Summit”, 30 August 2018, <https://mofa.gov.np/opening-statement-by-the-right-honourable-k-p-sharma-oli-prime-minister-of-nepal-at-the-inaugural-session-of-the-fourth-bimstec-summit/>, . Accessed on August 3, 2018.

provided shows that some of the agreements on connectivity, such as; the BIMSTEC Coastal Shipping Agreement and the BIMSTEC Motor Vehicle Agreement; BIMSTEC Free Trade Area (FTA) and BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organised Crime and Illicit Drug Trafficking, are still in the process of discussion and finalisation.

Energy cooperation is one of the areas where significant progress has been made, and member states signed a Memorandum of Understanding on BIMSTEC Grid Interconnection.

There was no significant progress in terms of decisions taken at the Summit. However, a few of the decisions that were taken pertaining to drafting of the charter of the organisation; establishing a BIMSTEC Development Fund (BDF); enhancing the capacity of the BIMSTEC Secretariat and visibility and stature of BIMSTEC in international fora, are positive. During the Summit, review of structure of cooperation and scaling down of areas of cooperation was also discussed. Sri Lanka assumed the next Chairmanship of the BIMSTEC.

BIMSTEC has largely been an economic regional cooperation organisation. Given the increasing traditional and non traditional threats in the region, the member states are laying emphasis on security cooperation. The willingness of the member states' to conduct various Military Field Training Exercise, Army Chief's Conclave, Tri Service Humanitarian Assistance and Disaster Relief Exercise and Meeting of National Security Chiefs are some of the examples of increasing interest in security cooperation. However, Nepal and Thailand decided to opt out of post Summit military exercise MILEX-18, that was held in Pune from 10-16 September, citing domestic political and financial reasons. This can be seen as a setback to regional security cooperation that was agreed upon at the Summit.

Nepal's post Summit decision, of non-participation in the first military exercise under BIMSTEC, indicates that future cooperation will depend on domestic politics in member states, how the member states perceives the organisation as well as their expectations from India. India's constructive engagement with South East Asia since 1990s, starting from "Look East" to the current "Act East" policy, is still evolving. Absence of bilateral conflict among member states in the region is also acting as a catalyst for cooperation. As the future of SAARC remains uncertain due to political differences, for India, the BIMSTEC platform provides opportunity to interact with countries at regional level, except Pakistan and Maldives. However, it is to be noted that at the Summit, Nepal emphasised the indispensability of SAARC saying "SAARC and BIMSTEC do not substitute but complement each other".

The development-driven agenda of the member states is also a factor that is driving the external, regional and bilateral cooperation. For landlocked countries like Nepal and Bhutan access to the sea, is likely to increase prospects for economic development. At the same time, Nepal is trying to reduce its dependency on India by improving its connectivity along the border with China. The Nepal-China Transit and Transportation Agreement which was finalised recently

‘will allow Nepal to use the Chinese ports of Tianjin, Shenzhen, Lianyungang, and Zhanjiang’.³ Moreover, Myanmar and China also signed a Memorandum of Understanding (MoU) to establish China-Myanmar Economic Corridor (CMEC) as part of Belt and Road Initiative (BRI) and Sri Lanka extended its support to BRI to develop its ports to emerge as a hub in the Indian Ocean. The Summit avoided discussion on refugee repatriation to Myanmar from Bangladesh, the issue might impact bilateral relations if not resolved amicably. In this scenario, BIMSTEC’s response to security challenges as a regional organisation remains to be seen.

Future cooperation in agreed areas will also depend on the swiftness that member states show in institutionalising cooperation. Institutionalisation needs finances and structures at the ground level. As the largest economy in the region, member countries expect India to play a major role and contribute significantly to new structures agreed upon at the Summit such as BIMSTEC Development Fund (BDF) and BIMSTEC Secretariat that was established in 2014.

The fourth Summit revived hopes for greater cooperation in Bay of Bengal region for India. The activism seen in the last few years is positive but maintaining this momentum will be a challenge.

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Disclaimer: The views expressed are that of the Researcher and not of the Council.*

³ “China grants Nepal access to its ports”, 8 September 2018, https://www.business-standard.com/article/news-ani/china-grants-nepal-access-to-its-ports-118090800262_1.html. Accessed on September 10, 2018.