



The Upcoming Fourth BIMSTEC Summit: The Progress so Far and Expectations

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Introduction

The Fourth Summit of Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) will take place in Kathmandu on 30 and 31st August 2018. The Summit will bring together seven member states: India, Sri Lanka, Bangladesh, Nepal, Bhutan, Thailand and Myanmar. The organisation was established on 6th June 1997 has completed twenty one years this year. It is considered by its members 'as a bridge between South and South East Asia and a platform for intra-regional cooperation between SAARC and ASEAN members'. The three Summits of 2004, 2008, 2014 and outreach Summit in 2016 and various Ministerial Meetings in the last twenty years emphasised sector driven cooperation for enhancing regional cooperation. A common understanding exists among member states regarding numerous opportunities the regional block presents in terms of trade and investments, connectivity and economic cooperation.

The 2016 BIMSTEC-BRICS outreach Summit and the 15th Ministerial meeting of August 2017, gave impetus to the functioning of the regional grouping. It reviewed the progress made in the last twenty years and agreed upon fourteen areas of cooperation. One of the important aspects of cooperation in BIMSTEC is that each sector is led by one of the seven countries of BIMSTEC despite differences in size and economic capacity of each country: India is the lead country for counter terrorism and transnational crime, transport & communication, tourism, environment and disaster management. Bangladesh for trade, investment and climate change; Nepal for poverty alleviation; Thailand for fisheries, public health and people to people contact; Myanmar for agriculture and energy; Sri Lanka for technology and Bhutan for cultural cooperation.

If we look at India's approach towards BIMSTEC various highlevels statements indicate that it is seen as a very 'important platform to carry forward the process of regional integration both in South and South-East Asia and is also an important component of India's Neighbourhood First and Act East policy'. India believes that the opportunities that exist for cooperation are vast due to centuries old cultural and civilizational links and people-to-people contacts. As a founding

member of BIMSTEC, India expects that regional cooperation would advance under BIMSTEC and this would also “impact positively, on SAARC and encourage an atmosphere free of terror and violence conducive for regional cooperation”. Moreover, member countries face similar challenges of governance such as ‘unequal development, food and energy insecurity, poverty eradication, climate change and the growing extremism’. Therefore, partnership and collaboration in these sectors might bring overall development and security to the region. For India, the geo-political, economic and strategic significance of the region, China’s growing influence and the need to protect its own security and stability is another enabling factor to engage with BIMSTEC. Absence of tangible success on many issues within the SAARC format also was a factor in India sharpening its focus on sub-regional cooperation and hence the littoral of the Bay of Bengal through BIMSTEC had certain advantage.

Progress

The organisation was started in 1997 with an intention of accelerating regional cooperation among South and South East Asian countries given the opportunities the region provides in terms of population, resource base, strategic strength and economic potential. The ‘region is home to 1.6 billion people, nearly 22 percent of the world’s population and has a combined GDP of \$2.8 trillion’. Political changes that have taken place in all the member countries over the years have helped in increasing focus on BIMSTEC.

In the recent past there has been greater frequency in interactions under the BIMSTEC umbrella. For instance, India hosted the first meeting of National Security Chiefs in March 2017 and the second meeting of the NSC was held in Dhaka on 28th March 2018. The first meeting of the BIMSTEC working Group on Custom Cooperation was held in India in May 2018. The Eighth Meeting of the BIMSTEC Joint Working Group on Counter-Terrorism and Transnational Crime was held in Dhaka, Bangladesh in August 2018. The First Working Group Meeting to negotiate the Draft Text of the Motor Vehicles Agreement for the Regulation of Passenger and Cargo Vehicular Traffic between and among BIMSTEC Member States was held in New Delhi in April 2018. The fourth meeting of the BIMSTEC expert group on the establishment of BIMSTE Technology Transfer Facility was held in Colombo in 2017. The First Disaster Management Exercise was held in October 2017 in India.

A MOU on Grid Interconnection has finalised and the BIMSTEC Centre for Weather and Climate was established in Noida, India. One area where cooperation is taking place on regular basis is on disaster management. Help extended by India to Sri Lanka to deal with the flood situation in May 2017, to Nepal to deal with the effects of earth quake in 2015 are some recent examples. People to people contact and cultural cooperation are also areas where the member countries are cooperating on a regular basis as tourism contributes significantly to the GDP of these countries.

Expectations from the Summit

Given the enthusiasm among member countries to participate in various Ministerial Meetings and workshops, have taken place in the last two years, it is hoped that the Summit will be able to make progress in areas pertaining to connectivity, trade and counter terrorism. Some of the connectivity projects in the region which are under implementation are 1400 km India-Myanmar-Thailand trilateral highway and Dawei Deep Sea port, Kyaukphyu and Thilawa ports and the Kaladan Multi Model Transit and Transport project. India has committed to sixty nine projects on tri-lateral highway, which is expected to conclude by next year. The BIMSTEC Motor Vehicle Agreement is under discussion. The BIMSTEC FTA negotiations are, continuing for same length

of time, as member countries are still to arrive at consensus on ease of restrictions and trade facilitation measures. Data provided by FICCI shows that, “currently BIMSTEC constitute 3.8 per cent of world trade. Intra-regional trade among BIMSTEC countries was about US\$ 40.5 billion in 2016 (about 6 per cent). Currently, India’s export share in BIMSTEC is about 50 per cent (US\$ 21 billion), followed by Thailand 30 per cent (US\$ 12.2 billion) and Myanmar 14 per cent (US\$ 6.1 billion)”.² The FTA negotiations will take time as it also have to have domestic approval in each country and consensus may take time to forge.

At the 15th Ministerial Meeting last year, member countries emphasised on the need for enhancing cooperation on poverty alleviation, public health and agriculture. Member countries have agreed to implement a Poverty Plan of Action in line with the United Nations Sustainable Development Goals (SDGs), but significant challenges remain as each country has large numbers of people lacking basic social and economic opportunities. Spending on social sector has been significantly low in member countries such as India and Myanmar. For example, India’s expenditure on social services (Centre and State RE), such as education* and health* as a percentage to GDP, is 2.6 percent and 1.5 percent in 2016-2017 (Revised Estimates)³. In Myanmar, expenditure on health and education combined, proposed in the Union Budget 2017-18 amounts to thirteen percent of the total budget. The Union Parliament approved a budget of 20.59 trillion kyats for the 2017-2018 fiscal year in March 2017.⁴ The Human Development Index (HDI) of 2016 also shows that, in terms of polices adopted for social development in member countries, there is a lot be done. For example, India ranked 131, Bhutan 132, Bangladesh 139, Nepal 144 and Myanmar 145.

The strategic aspect of regional cooperation is given considerable importance given the volatile political situation in the region owing to internal conflict, cross border insurgency, terrorism, human and drug trafficking. The recent refugee flow to Bangladesh from Myanmar due to the violent clashes between ARSA militants and the Myanmar army is one such example. Though both the governments signed an agreement on repatriation of nearly 700,000 refugees comprising the Rohingya community, this bilateral issue between the two countries will impact the security of the region’s border areas. Cross border migration, insurgency and refugee flow is a longstanding issue between Myanmar and Thailand. The presence of Sri Lankan Tamil refugees in India is another such example and both India and Sri Lanka with the help of international humanitarian organisations are still working on repatriation. Growing religious and cultural assertiveness among member countries can also pose a threat to political stability. Therefore, there is a need to arrive at a common understanding on cooperation on counter terrorism among member states through BIMSTEC. Nepal and Bhutan are still to ratify the BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters.⁵ Hopefully, the upcoming Summit will arrive at a consensus on ratification.

Given the strategic importance of the Bay of Bengal in the Indian Ocean and the safety and security of Sea Lanes of Communication, cooperation among member states is important to achieve regional peace and security. However, foreign policy orientations of member countries will have an impact on future cooperation as each member individually will try to secure their own interests in the arena by securing investments in important sectors. For example, Sri Lanka is trying to emerge as a hub in the IOR and supported China’s Belt and Road Initiative along with Nepal, Bangladesh, Bhutan, Myanmar and Thailand. China has been building ports as part of Belt and Road initiative. Projects such as Sri Lanka’s Colombo port city, Hambantota port and Myanmar’s oil and gas pipelines from Kyaukphyu Island to Kunming are examples of how China is consolidating its interests in the region.

Conclusion

In the last twenty years BIMSTEC progress has been slow in initialising and implementing measures at regional integration owing to domestic factors and lack of financial resources and regional political will. For India speedy completion of projects agreed upon will help in enhancing cooperation in the region. The implementation process will have to supplement already existing arrangements at bilateral, sub- regional and regional levels such as the Association of South East Asian Nations (ASEAN), South Asian Association for Regional Cooperation (SAARC), Indian Ocean Rim Association (IORA), Mekong-Ganga Cooperation (MGC) and the UN SDG's 2030 agenda. To enhance regional integration and to reduce the burden on member states, the upcoming summit will reportedly look into reducing areas of cooperation from fourteen to five. The fourth BIMSTEC Summit may provide further impetus to regional integration through finalisation of agreements in identified areas.

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

Endnotes

¹Ministry of External Affairs, Government of India, "Transcript of Media Briefing by Secretary (East) on upcoming visit of PM to Nepal for BIMSTEC Summit (August 24, 2018)", https://www.mea.gov.in/media-briefings.htm?dtl/30325/Transcript_of_Media_Briefing_by_Secretary_East_on_upcoming_visit_of_PM_to_Nepal_for_BIMSTEC_Summit_August_24_2018

² FICCI Knowledge Paper by Core Group, "Reinvigorating BIMSTEC: AN Industry Vision for the Next Decade", January 2018, "<http://ficci.in/spdocument/23016/BIMSTEC-Report-final.pdf>

³ Ministry of Finance, Government of India, Economic Survey 2016-18, Volume 2, P. 168.

*Expenditure on 'Education' pertains to expenditure on 'Education, Sports, Arts and Culture'.

* Expenditure on 'Health' includes expenditure on 'Medical and Public Health', 'Family Welfare' and 'Water Supply and Sanitation'.

⁴ BTI 2018 Country Report, Myanmar, http://www.bti-project.org/fileadmin/files/BTI/Downloads/Reports/2018/pdf/BTI_2018_Myanmar.pdf

⁵ Government of India, Ministry of External Affairs, QUESTION NO.109 BIMSTEC CONVENTION, 16 November 2016, <https://www.mea.gov.in/lok-sabha.htm?dtl/27628/QUESTION+NO109+BIMSTEC+CONVENTION>