



## Cohesion, co-operation








India must assuage apprehensions of power imbalances among members of the BIMSTEC.

### Highlights:

1. The adoption of the Charter at the Fifth Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) summit promises to re-energise the 25-year-old grouping at a time of growing global uncertainties.
2. The Charter is expected to help impart a more connected vision to the seven-member organisation.
3. The Charter, and India's decision to lead the 'security pillar' out of the seven designated pillars of the revived BIMSTEC, has given India's regional aspirations a new orientation, away from the stalemated SAARC that has been unable to meet since November 2014.

## BIMSTEC

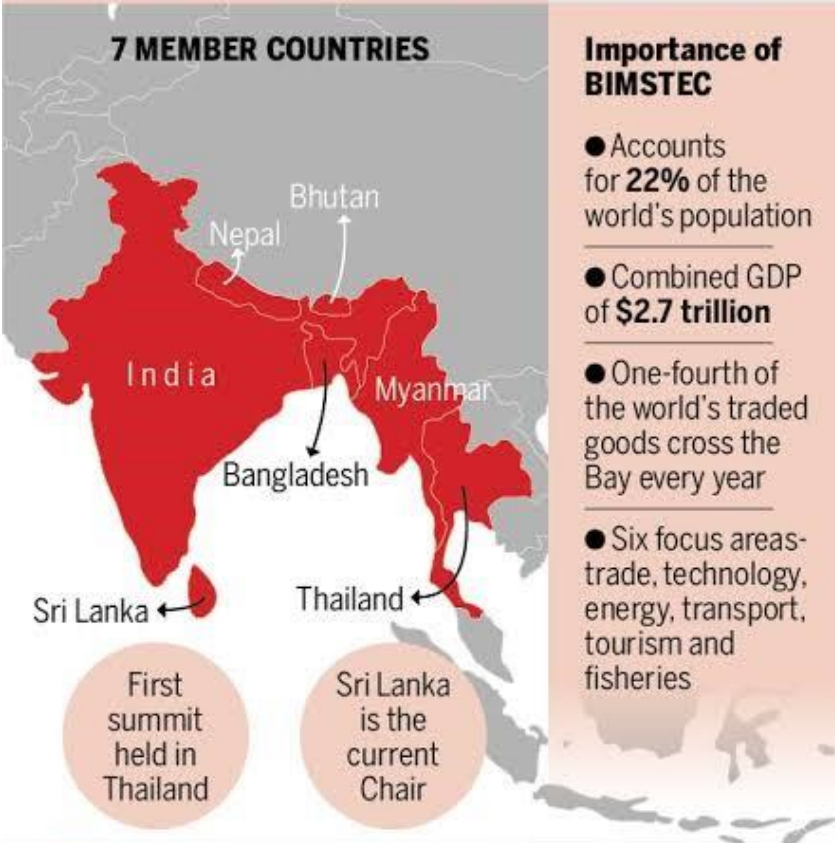
WHAT YOU SHOULD KNOW

**Stands for The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation**

**Founded in 1997 through Bangkok Declaration**

**7 MEMBER COUNTRIES**






First summit held in Thailand

Sri Lanka is the current Chair

**Importance of BIMSTEC**

- Accounts for **22%** of the world's population
- Combined GDP of **\$2.7 trillion**
- One-fourth of the world's traded goods cross the Bay every year
- Six focus areas—trade, technology, energy, transport, tourism and fisheries

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## Significance of grouping:

1. The Bay of Bengal is central to the idea of Indo-pacific both in terms of security and economy
2. Connects South Asia with Southeast Asia
3. Crucial for India's "Act East" and "Neighbourhood First" policies
4. Alternative to nearly failed SAARC
5. The resource-rich region needs connectivity to utilise its economic potential to the fullest.

## Utility of BIMSTEC for its members:

1. Bangladesh views BIMSTEC as a platform to strengthen its much-needed economic development while Sri Lanka intends to fulfil its aspirations to emerge as a major transshipment hub for the wider Indo-Pacific region.
2. For the two landlocked Himalayan member states, Nepal and Bhutan, BIMSTEC is an opportunity to get access to the Bay of Bengal.
3. For Myanmar and Thailand, connecting more closely with India across the Bay is an opportunity not only to get access to India's escalating consumer market but also, to address overdependence on China.
4. For India, BIMSTEC may be helpful in achieving two major goals of national development as well as fulfilling its strategic aspiration to cater to the wider concept of the 'Indo-Pacific' and an Indian Ocean community.
5. It is a natural platform to fulfil India's key foreign policy priorities of 'Neighbourhood First' and 'Act East.'

## Challenges to the grouping:

The new opportunity is also accompanied by its own set of problems.

1. These inherent challenges were reflected in the time taken to finalise the Charter — one of the key factors was the Rohingya crisis that has weakened bilateral Bangladesh-Myanmar ties, with Dhaka seeking full repatriation of the refugees and Naypyidaw disinclined to respond positively to international pleas.



2. Unlike SAARC, which is burdened by India-Pakistan hostilities, BIMSTEC is relatively free of sharp bilateral disagreements and promises to provide India with a cooperative sphere of its own.
3. Given the complexity of domestic and geopolitical factors, this sphere will require sustained bilateral and group-level discussions to prevent problems such as the Rohingya crisis from becoming impediments to the smooth delivery of economic and security outcomes.
4. India too will have to ensure equally sustained political engagement with partners such as Nepal, Sri Lanka and Bangladesh to prevent any domestic political spillover from affecting bilateral and group-level working relationships.
5. Ultimately though, for the revived grouping to realise its trade and economic potential, India will have to take a leadership role in assuaging any apprehensions among the smaller members of intragroup power imbalances and strive to facilitate greater cross-border connectivity and flow of investments by lowering barriers to the movement of people and goods.

### Way Forward:

1. With his call for a BIMSTEC Free Trade Agreement, Prime Minister Narendra Modi has outlined India's vision to bolster trade connectivity in the grouping.
2. An FTA spanning the maritime resource-rich members such as Myanmar and Sri Lanka could bring dramatic gains for all members.
3. A 'coastal shipping ecosystem' and an interconnected electricity grid, in addition to the adopted Master Plan for Transport Connectivity, have the potential to boost intraregional trade and economic ties.
4. Having walked away from mega trade blocs such as the China-led RCEP, New Delhi's willingness to explore an FTA within the framework of a near-home regional grouping may provide greater accommodation for multi-party interests.