

# Making Bimstec matter

*Seven-country group centred on Bay of Bengal is still searching for a meaningful role.*

PUBLISHED : 20 JAN 2020 AT 04:31

NEWSPAPER SECTION: [ASIA FOCUS](#)

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Cooperation on logistics is an important goal for the Bay of Bengal states. One such example involved an agreement covering the ports of Ranong in Thailand and Krishnapatnam in southeastern India. It was signed by Port Authority of Thailand director-general Kamolsak Promprayoon and Vinita Venkatesh, director of Krishnapatnam Port, in August last year. Somchai Poomlard

The Bay of Bengal is the focal point of a landscape of great diversity and vast potential yet to be tapped. The largest bay in the world is shared by some of the world's most dynamic economies, but integration remains limited despite their shared histories and cultures.

Creating a more attractive environment for seamless trade, investment and other activities has been the goal of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec).

Bimstec was formed on June 6, 1997 in Bangkok, as a vehicle to serve as a bridge between South and Southeast Asia. Its seven member states are Bangladesh, India, Myanmar, Sri Lanka, Thailand, and landlocked Nepal and Bhutan.

The organisation is often referred to as an amalgam of India's "Look East" and "Neighbourhood First" initiatives, and Thailand's "Look West" policy.

The subregional bloc has huge potential -- a population of 1.6 billion, or 22% of the world total, and gross domestic product of US\$3 trillion among its seven member states.

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In terms of location, it encompasses three important regions -- the Bay of Bengal, Mekong Subregion and the Himalayan region -- and connectivity with Southeast Asia and Indo-Pacific waters, a major global shipping route.

One-quarter of all goods traded in the world, 70% of the energy imports to China and 90% of the energy imports to South Korea and Japan flow through the Bay of Bengal, according to information provided by Bimstec.

Despite huge opportunities and high ambitions, Bimstec rarely makes a splash in the world arena.

During the last two decades, its members have held only three summits, while making only sporadic progress on technical cooperation.

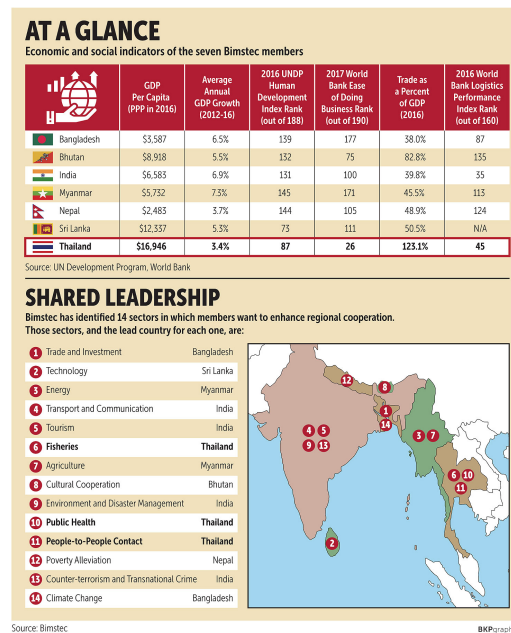
Bimstec members have been negotiating on and off since 2004 for a free trade agreement (FTA) but differences between India and Thailand over market access remain a big sticking point.

India reportedly wants rules on movement of professionals to be eased, while Thailand is seeking relaxed foreign investment rules for its retailers.

Policymakers in member countries lament that the region's potential is being held back by the lack of an FTA, and point to the benefits that free trade and visa-free travel have brought to the likes of Asean and the European Union.

But Bimstec has been regaining momentum since celebrating its 20th anniversary in 2017. India, perceived as the "Big Brother" of the organisation, reportedly had made a commitment to hold more regular and high-level meetings to help raise the global profile of Bimstec.

One such event was "Kolkata Colloquium 2019: Reimagining", held late last year, at which experts on foreign affairs familiar with the region exchanged views on how to move the bloc forward.



## SAARC EXPERIENCE

Bimstec is not the first attempt by South Asian nations to create a regional bloc to foster integration.

A similar attempt -- with slightly different players -- was made under the name of the South Asian Association for Regional Cooperation (SAARC). The impetus came from Gen Ziaur Rahman, then the military dictator of Bangladesh. He began pushing for a security-focused regional group during the Cold War in the late 1970s, along the lines of the Southeast Asia Treaty Organisation (Seato), which had been formed a decade earlier. Seato eventually became the Association of Southeast Asian Nations (Asean).

It took until 1985 for SAARC to be formally established, with members including Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka. However, the group never lived up to its great expectations, mostly because of mistrust between India and Pakistan.

The memory of SAARC still haunts policymakers in member countries.

Reaz Ahmad, a journalist with the Dhaka Tribune in Bangladesh, said at the Kolkata forum that people in South Asia had placed their hopes in SAARC and became disillusioned when the momentum fizzled out.

"Nations are dealing well bilaterally, but when it comes down to multilateralism our leaders fail us," he said.

"We have a legacy of division and division has haunted us," said Pinak Ranjan Chakravarty, a visiting fellow of the Observer Research Foundation, an India-based independent think-tank.

## **NEW MODUS OPERANDI**

While some members of SAARC are now in Bimstec, the latter is different in terms of the political context.

Gareth Price, senior research fellow with the Asia-Pacific Programme at London-based Chatham House, a non-profit institute on international affairs, said the advantage of Bimstec was that it was not encumbered by national security issues.

"Bimstec has much higher coherence among member states. You do not have big issues among main members despite the fact that there are differences," said Mr Price, adding that the lack of political ambitions is another strength of the bloc.

Despite the region's potential, Mr Price, an expert on South Asian affairs who once worked for the political risk consultancy Control Risk Group, observed that the bloc seems to have too vast a range of priorities -- 14 areas of cooperation in all.

He urged member states to narrow down their priorities and focus on collective pressing problems such as human trafficking, natural resources, fisheries and climate change.

Bimstec, he said, needs to find missions that have a high chance of success, are easy to replicate and move forward.

For example, he advocates collaboration on energy. "Power trading is good start on functionality it signifies self-reliance," he said, adding that collaboration on power trading between Bangladesh and Nepal can serve as pilot case to carry the momentum forward.

He warned member states to tread carefully when it comes to geopolitics. Asean, for example, is consumed by debates over how to respond to the competing interests of the United States and China in its neighbourhood.

While the Bay of Bengal has great strategic value from a trade standpoint, members should be wary of focusing too much on other dimensions.

"If (Bimstec) wants to be relevant, it should try to keep out of geopolitical strategic narratives as it can make things more difficult," he urged.

While China is physically disconnected from Bay of Bengal, investment from China has poured into Bangladesh and Sri Lanka, where Beijing has made its presence felt.

Cleo Paskal, a research fellow with Chatham House, said China is "a new factor" for Bimstec.

Development aid offered by China often comes with strings attached and, in some cases, environmental impact, cautioned Ms Paskal, the author of the book *Global Warring: How Environmental, Economic and Political Crises will Redraw the World Map*.

She raised the recent example of China offering to build artificial islands for South Pacific island nations to help them cope with rising sea levels resulting from climate change.

Tuvalu, one of the few countries that still has diplomatic relations with Taiwan, rejected the offer, which it saw as a pretext to undermine the island republic that China continues to claim as its own. Tuvalu reportedly was concerned that China might use the artificial islands to build up a military presence in the Pacific Rim.

## **CLIMATE CHANGE**

The Bay of Bengal is one of the most vulnerable areas in the world when it comes to climate change. During last two decades, 20 out of 23 major cyclones in the world occurred in Bay of Bengal area, particularly in Bangladesh and India.

For that reason, Bimstec member states are being urged to work together on tackling the one issue that has the potential to make a difference in the lives of hundreds of millions of their citizens.

Joydeep Gupta, a journalist and South Asia editor of *Third Pole*, an online publication that focuses on environmental issues, suggest that members should create projects to plant mangrove forests along coastlines to prevent erosion caused by the rising sea levels.

The Bay of Bengal has borne the brunt of many climate change-induced natural disasters. In India, a 2015 heat wave and a 2013 flood killed 2,300 and 5,500 people, respectively. In Nepal, forest fires destroyed 12,000 community forests in 2016, and landslides claim 200 lives or more each year.

Sri Lanka faces huge crop losses due to groundwater salinity and coastal erosion. The GDP of South Asian economies is expected to decrease by 11% by 2100 under a business-as-usual emissions scenario, according to an Asian Development Bank (ADB) report called A Region at Risk, published in 2017.

Runa Sarkar, an economics professor at the Indian Institute of Management Calcutta (IIMC), said South and Southeast Asia are on the frontline of the climate change crisis, an issue that Bimstec and its members should highlight.

"Bimstec can come together to pull resources together," she said. "When you work together you can get regional perspectives. The organisation should focus on climate change adaptation as we have so many heavily populated coastal areas."