



India BIMSTEC

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Why in News?

- PM of India has invited **BIMSTEC** (The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) partners for his second swearing in ceremony, reversing the previous stand of inviting the **SAARC** (South Asian Association for Regional Cooperation) leaders including Pakistan for a similar event in 2014.
- This shows a major shift in India's foreign policy **towards East**, specifically BIMSTEC and also focus on the relevance of India's **Neighbourhood First Policy**.

Strategic Shift From SAARC to BIMSTEC

- PM of India had invited **SAARC countries** for his swearing in ceremony in 2014, including Pakistan on the lines of his Neighbourhood first policy.
- Prime Minister had also participated in the **18th SAARC summit at Kathmandu** in November 2014.
- But post **Uri attack**, (on Indian military base) in October 2016, India gave a renewed push for the BIMSTEC that had existed for almost two decades but been largely ignored.
- Alongside the **BRICS summit in Goa**, PM hosted an **outreach summit** with BIMSTEC leaders.
- BIMSTEC countries had supported New Delhi's call for a **boycott of the SAARC** summit scheduled in Islamabad in November 2016.
- As a result, SAARC summit was postponed for an **indefinite period**, India had claimed victory in **isolating Pakistan**, having accused that country of carrying out the Uri attack.
- Since 2016 there has been **no movement forward on resuming the SAARC** summit.
- BIMSTEC had emerged as an **alternative regional platform** where five SAARC (Bangladesh, Bhutan, India, Nepal and Sri Lanka) countries could gather and discuss sub-regional cooperation.

The search for an alternative, in fact, had been evident at the 2014 SAARC

summit in Kathmandu, where Prime Minister of India had made an statement that "**opportunities must be realised through SAARC or outside it**" and "**among us all or some of us**". That was an important signal to Pakistan, as well as to fellow SAARC members.

About BIMSTEC

- **The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)** is a regional organization comprising seven Member States: five deriving from South Asia, including **Bangladesh, Bhutan, India, Nepal, Sri Lanka** and two from Southeast Asia, including **Myanmar** and **Thailand**.
- This **sub-regional organization** came into being on 6 June 1997 through the **Bangkok Declaration**.

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Why not SAARC?

- India had long felt that the vast potential of SAARC was being under utilised and opportunities were being lost due to either lack of response or because of **obstructionist approach** from **Pakistan**.
 - Trade agreement like **SAFTA** (SAARC Preferential Trading Arrangement) that came into force in 2006 and is currently not fully operational.
 - **SAARC Motor vehicle agreement** also failed to reach its final conclusion, as Pakistan opted out of it and India had to look for **BBIN** (Bhutan, Bangladesh, India and Nepal) agreement in 2015.
 - Withdrawal of Pakistan from **SAARC satellite** compelled India to rename it as **South Asia Satellite**.
- **Asymmetrical power balance**: Intraregional trade is just 5%.
- **Mistrust and suspicion** among the members not only hinders bilateral growth and development but also made SAARC as dysfunctional grouping.

About SAARC

- **The South Asian Association for Regional Cooperation (SAARC)** was established with the signing of the **SAARC Charter in Dhaka** on 8 December 1985.
- SAARC comprises of eight Member States: **Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan** and **Sri Lanka**.
- The Secretariat of the Association is in Kathmandu.

Strategic Importance of BIMSTEC

- **Geographical relevance**: The Bay of Bengal is the **largest bay** in the **world**. Over one-fifth (**22%**) of the **world's population** live in the seven countries.

- **Economic:** Despite economic challenges, all these seven countries have been able to sustain average annual rates of economic growth between 3.4% and 7.5% from 2012 to 2016.
 - They have a combined **GDP** close to **\$2.7 trillion**.
 - The Bay of Bengal is the route for about **25% of global trade**.
 - India's robust relation with BIMSTEC will ensure its access to huge untapped resources especially in the energy sector in the form of massive reserve of **natural gas** in the Bay of Bengal region over China and other major powers.
 - **One-fourth** of the world's traded goods cross the Bay every year.
 - In the era of growing **protectionism** there is a need for India to **diversify** its **export market**.

The FICCI report points out that intra-regional trade among BIMSTEC countries was about \$40.5 billion in 2016 (about 6 per cent) with India having 50 per cent share (\$21 billion).

FICCI reports endorse BIMSTEC as the **most active trade-driven regional blocs** of the world in terms of huge export and import statistics.

- **Regional Integration:** In an effort to integrate the region, the grouping was formed in 1997, originally with Bangladesh, India, Sri Lanka and Thailand, and later included Myanmar, Nepal and Bhutan.
 - BIMSTEC, now includes five countries from South Asia and two from **ASEAN**, is a bridge between **South Asia** and **Southeast Asia**.
 - It includes all the major countries of South Asia, except Maldives, Afghanistan and Pakistan.
- **Maritime Security:** India's Multilateral regional engagement with BIMSTEC members will not only suffice India's effort of boosting **Blue Economy** but will also:
 - Provide **comprehensive solution** for its maritime security, as diplomatic engagement with littoral nations will help nations in curbing the problems of :
 - **Piracy and Trafficking of Drugs and Weapons:** The transnational maritime crimes like trafficking of drugs and weapons are quite rampant in the area.
 - **Illegal fishing and poaching off the Andaman and Nicobar Islands:** major issue in the Bay of Bengal is how to sustain the fast depleting fish stocks.
 - **Maritime Accidents and Irregular Migration:** under customary international law, all States bear an international commitment to provide assistance to persons in distress at sea, be they victims of accidents at sea or irregular migrants.
 - BIMSTEC engagement is completely in consonance with the **SAGAR Initiatives** objective of increasing connectivity and development in North eastern states of India.

About SAGAR initiative

- **SAGAR (Security and Growth for All in the Region)**, articulated by India's Prime Minister in 2015.
- SAGAR meaning that — **All boats (regional countries) rise with the rising tide (together)** — was stated in the broader context of the Indian Ocean Region (IOR), but is very relevant to the Bay of Bengal countries in context of PM's—Neighbourhood First Policy.
- With regard to the Bay of Bengal, India's specific imperatives are to:
 - Capitalise upon the cost-effectiveness of maritime routes, in both national and sub-regional contexts.
 - Amalgamate India's North-Eastern States into the nation's socioeconomic development.
- **Connectivity:** Connectivity has been described broadly by India as **trade** connectivity, **economic** connectivity, **transport** connectivity, **digital** connectivity, and **people to people** connectivity.
 - Almost **300 million people**, or roughly one-quarter of India's population, live in the four coastal states adjacent to the Bay of Bengal (Andhra Pradesh, Orissa, Tamil Nadu, and West Bengal).
 - About **45 million people**, who live in **landlocked Northeastern states**, will have the opportunity to connect via the Bay of Bengal to Bangladesh, Myanmar and Thailand.
 - India's northeast will be playing a critical role in increasing connectivity with BIMSTEC member countries.
 - PM of India has referred BIMSTEC as a **natural platform** for fulfilling our key foreign policy priorities of '**Neighborhood First**' and '**Act East**', as it connects not only South and Southeast Asia, but also the **ecologies of the Great Himalayas and the Bay of Bengal**.
- **Strategic:** As China mounts assertive activities in the Bay of Bengal region, with increased submarine movement and ship visits in the Indian Ocean, it is in India's interest to consolidate its internal engagement among the BIMSTEC countries.
 - From the strategic perspective, the **Bay of Bengal**, a funnel to the **Malacca straits**, has emerged as a key theatre for an increasingly assertive China in maintaining its access route to the Indian Ocean.
 - India's engagement with BIMSTEC countries will help in countering China's Belt and Road initiative.
 - Beijing has undertaken massive drive to finance and develop infrastructure in South and Southeast Asia through the Belt and Road Initiative in almost all BIMSTEC countries, except Bhutan and India.
 - Invitation for BIMSTEC leaders is part of New Delhi's strategy to expand its **"sphere of influence"**.

- **BIMSTEC's** relevance as an **alternative regional engagement platform**.

Challenges

- **Lack of human and financial resource:** BIMSTEC suffers from a lack of human and financial resources.
 - India needs to allocate **more resources** to its BIMSTEC budget and should take an informal leadership role to provide BIMSTEC with momentum.
 - India is currently the largest contributor to the BIMSTEC secretariat budget.
- **Supremacy:** India would have to counter the impression that BIMSTEC is an India dominated bloc, in that context India can follow the **Gujral doctrine** that intends to chalk out the effect transactionary motive in bilateral relations.
- **Connectivity:** is a major issue among BIMSTEC nations.
 - North Eastern states are of utmost importance in deepening connectivity among BIMSTEC nations, but **Siliguri corridor** that (**chicken neck**) provides a very narrow passage for movement, obstructs the connectivity.
 - Underdevelopment of North Eastern states in terms of **infrastructure and connectivity** will also be a major hurdle.
- **Underlying aspirations of China** to be part of BIMSTEC, on the same lines as it harnesses a desire to be a permanent part of SAARC groupings, further aggravates the problem.
- **Regional Instability:** in the form of Rohingya crisis and other intra and interstate issues can hamper the efficient and effective functioning of the grouping.
- **The lack of critical support** - strong and clear political commitment, adequate financial resources, full engagement of business and industry, and optimal involvement of civil society has been the principal constraint in BIMSTEC.
- **BCIM:** The formation of another sub-regional initiative, the **Bangladesh-China-India-Myanmar (BCIM)** Forum, with the proactive membership of China, has created more doubts about the exclusive potential of BIMSTEC.

Way Forward

- **Policy Initiatives:** BIMSTEC needs lots of policy initiatives from its members both at national and international level, especially from its leading partners India and Thailand for the cooperation to make tangible benefits.
- **Political commitments:** India cannot blame Pakistan alone for SAARC's underperformance, hence strong political commitments from its informal leader are desirable.
 - India's own intransigence on issues, deep suspicion that its neighbors were "ganging up" against it, and its tendency to be a bit of a bullying brother to them eroded South Asian countries' confidence in India.
 - India should not repeat these mistakes in engaging BIMSTEC.

- **Economic Interdependence:** In order to harness potential of BIMSTEC steps like
 - Signing Free Trade Agreements in goods and services.
 - Improving physical and digital connectivity by building ports, economic corridors etc need to be taken.
- **Innovative solutions:** Like construction of Buddhist circuit by connecting the buddhist nations especially Myanmar, Thailand, Bhutan Nepal and Sri Lanka will contribute in deepening the cultural ties among the BIMSTEC nations.
- **Institutional Mechanism:** Like BIMSTEC Summit, Ministerial Meeting, Senior Officials Meeting, BIMSTEC Working Group, Business Forum & Economic Forum within BIMSTEC must be utilised as an active forum for bringing more cooperation and coordination among the BIMSTEC members.
- **BIMSTEC Principles:** Like Sovereignty, Equality, Territorial Integrity, Political Independence, No-interference in Internal Affairs, Peaceful Coexistence, Mutual Benefit must not be violated at any cost in order to avoid SAARC like situation.