



## A study on Relationship between INDIA and BIMSTEC During 2014-19

NIGHAT MUKHTAR SHAH

Research scholar, Glocal University, Saharanpur UP

DR.AMIR MAHMOOD

Assistant Professor, Glocal University, Saharanpur UP

### Abstract:

*BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation), at first was formed as a group of four countries and was renamed as Bangladesh, India, Sri Lanka, and Thailand.–Economic Cooperation (BIST-EC). It was projected by Thailand and dignified in Bangkok in 1997. The organization was the main endeavour to assemble a bridge connecting South and Southeast Asia. BIMSTEC was fortified with the incorporation of Myanmar in 1998 and addition of two new countries Nepal and Bhutan in 2004. The addition of Nepal and Bhutan in BIMSTEC incorporated a progressively significant and increasingly broad spread to the territorial and fiscal geography of BIMSTEC, by drawing in a more prominent measure of South Asia. In 2004 the organisation rechristened itself to its present form i.e. the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). It is a large monetary geology and a huge market with populace of practically 1.7 billion and consolidated financial size of around US\$3.5 trillion. It is moreover financially heterogeneous.*

*A BIMSTEC Business council has also been set up to give a phase to enable trade and business among part nations. It is revolved less around political issues among member nations and more on general local issues of monetary and social advancement. To a degree, it can cover the insufficiencies of the SAARC. The suitability of SAARC has been diminished by the affronted ties among India and Pakistan. Such issues don't impact BIMSTEC. The closeness of two gigantic Asian economies India and Thailand in like manner adjusts the economic relations within the organisation, which is a source of comfort for other members and diminishes their fear of dominance.*

*The BIMSTEC choose to take up a system to arrange a Free Trade Agreement in 2004. The Trade Negotiation Committee of BIMSTEC was advised to accelerate its task and wrap up the Free Trade Agreement by 2014. Be that as it may, little progress was cultivated in such way. India further drove the issue in 2016 during the BIMSTEC pioneers gathering in Goa.*

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**Keywords:** *BIMSTEC, India.*

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### 1. Introduction

BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) is an international organization of seven nations; two from Southeast Asia (Myanmar and Thailand) and five from South Asia (India, Sri Lanka, Bhutan, Nepal and Bangladesh). Five of its member states are rim countries of the Bay of Bengal and two (Bhutan and Nepal) are landlocked nations, which still depend upon the Bay of Bengal for access to maritime trade. It has also established a platform for intra-regional cooperation between SAARC and ASEAN members.

India is one of the establishing fathers of BIMSTEC. Five years prior, in 2014 when Modi first took his oath as prime minister, India invited the leaders of SAARC's member states. The leaders of Afghanistan, Bangladesh, Bhutan, Nepal, Pakistan, and Sri Lanka went to the occasion. Their essence flagged the need the Bhartiya Janata party (BJP) - led (NDA) government proposed on giving its

neighbours and SAARC. Modi's commitment of India's neighbours started early; the day after his swearing he held talks exclusively with every one of the meeting heads. He visited Bhutan in June 2014, making it the goal of his first state visit and lined that up with a visit to Nepal in August.

In 2019, by welcoming BIMSTEC members to the swearing-in, India has flagged that Modi's subsequent term as head administrator will see India turning from its emphasis on the SAARC to BIMSTEC. Set up in 1997, BIMSTEC has gained little ground. It has experienced disregard and absence of duty from its members. With SAARC demonstrating to be a "dysfunctional" grouping, India started to search for other multilateral local/sub territorial associations that are without Pakistan. BIMSTEC fit the bill and India began to develop BIMSTEC as very nearly a parallel to SAARC. At the BRICS summit at Goa in 2016, India gave BIMSTEC a surprise by welcoming its leaders to BRICS' regional outreach meeting. In doing so it conveyed the message that if SAARC wasn't prepared to deliver, India had BIMSTEC to go to.

There are strategic inspirations too behind India's developing enthusiasm for BIMSTEC. China's impact and nearness in India's neighbourhood has developed enormously by virtue of BRI (Belt and road) initiatives. Obligation weights have constrained India's neighbours to hand over resources for China. Incapable to pay back its immense debt owed to China, Sri Lanka handed over the strategic Hambantota deep-ocean port to the Chinese.

## 2. Main Issues and Problems

Following are the main issues and problems in BIMSTEC:

**Lack of human and financial resources:** BIMSTEC experiences an absence of human and monetary asset. India needs to apportion progressively money related assets to its BIMSTEC budget and should play a casual position of authority to give BIMSTEC with momentum. Presently the biggest supporter of BIMSTEC secretariat budget is India.

**The Lack of basic support:** Solid and clear political commitment, sufficient money related assets, full commitment of business and industry, and ideal contribution of common society has been the central imperative in BIMSTEC.

**Connectivity among member nations:** This is a significant issue among BIMSTEC countries. North Eastern states are of most extreme significance in developing network among BIMSTEC countries, yet Siliguri corridor that (chicken neck) gives an exceptionally narrow passage for movement, hinders the connectivity. Underdevelopment of North Eastern states as far as framework and availability will likewise be a significant obstacle.

## 3. Review of Literature

**Amit Bikram Chowdhury, Debasis Neogi's (2011)** study introduces that BIMSTEC plans to build up an extraordinary connection between South Asia and South East Asia. Their article examines the monetary circumstance in each BIMSTEC nation during the 1997-2011 periods and features of trade in various sectors among the BIMSTEC nations. The paper features the idea of trade in various sectors among the BIMSTEC nations and attempts to break down business prospects in this region and lastly concludes that the region provides an indication of the possibility of expansion of trade in future. **Nilanjan Banik (2007)** in his article endeavours to determine to what extent BIMSTEC economies are prepared to form an FTA. His investigation exhibits that the BIMSTEC region has the imperative attributes that are attractive to shape an FTA and by and large there are good signs for the BIMSTEC economies to thrive into an effective RTA. Framing a RTA would be relied upon to make relative preferred position for the part nations. **Anna Strutt (2008)** uses a dynamic worldwide exchange model in an effort to improve the comprehension of the potential effect of BIMSTEC-Japan Free Trade Agreement (FTA). They built up a baseline scenario to 2020 utilizing GTAP-Dyn, a recursive

powerful form of the Global Trade Analysis (GTAP) model. Their speculative outcomes propose that if the FTA is reached out to incorporate Japan, critical additions are likely for both the BIMSTEC district in general and for Japan, anyway with significant variety in the effects on individual BIMSTEC part economies, with results relying on the definite type of the advancement. **Swapa K. Bhattacharya and Biswa Bhattacharya (2006)** talked about the possibilities for reinforcing BIMSTEC nations and Japan's co-activity and coordination in exchange, speculation and money. It investigates the patterns and examples of respective and sub regional financial co-activity in Asia just as BIMSTEC-Japan exchange and inspects exactly whether BIMSTEC-Japan monetary co-activity will increment intra-provincial exchange utilizing a gravity model lastly finds that Japan BIMSTEC co-activity will increment intra local exchange yet not uniformly for every one of the nations.

#### 4. Research Methodology

The approach for the present study is historical and descriptive. The present study is based on primary and secondary data sources. Primary source includes BIMSTEC-documents, reports, declarations, joint press releases, foreign affair records and statements by Indian and foreign leaders. To evaluate the multi dimensional participation among India and BIMSTEC, the analyst has talked with different scholars and professors in the field. Secondary sources include books, magazines, papers, diaries and articles published in the conference proceedings related with India BIMSTEC relations. The applicable data found in the web is additionally utilized for the present studies.

#### 5. Objectives of the Study:

**Objective 1:** To further explore the areas of emerging trade opportunities and to assess the future prospectus of trade between the nations under study.

**Objective 2:** To examination the elements which can lift trade relations among India and BIMSTEC.

**Objective 3:** To examination the hindrances among India and BIMSTEC.

#### 6. Hypotheses

**H<sub>01</sub>:** Dynamic leadership can produce nearer relations among India and BIMSTEC.

**H<sub>02</sub>:** Diplomatic endeavours and channels have more prominent role and potential in building up nearer relations among India and BIMSTEC nations.

**H<sub>03</sub>:** The regional associations are a significant strategy for security from outside hostility.

#### 7. Analysis and Results:

The present study shows the following results on the basis of analysis.

**Objective 1:** The further point of view in BIMESTEC incorporate as we know these domains are additionally rich in previous raw materials, for example, gems of high calibre that can be utilized for the manufacture of jewellery. India, Thailand, Sri Lanka and Myanmar could embrace composed stamping in worldwide markets and in manufacturing. Textiles and garments could be another zone of collaboration between the four nations India, Sri Lanka, Bangladesh and Thailand could have joint endeavour in leather goods. So as well, should India, Sri Lanka ,Bangladesh, Thailand and Myanmar think about joint advertising of marine items .In tea and jute ,just as rice and flavours, there can be coordinated efforts between the delivering nations . Joint Research and development should likewise be supported. The different handicrafts work of the area are much sort after worldwide. Participation between the nations and investigation into item improvement, particularly of bamboo based items, could build the earnings in sub regions are likewise famous however they are not advertised well universally. More impacts can be made in these regions for item improvement and advertising, since in spite of the high worth expansion value, pay acknowledgment by the craftsmen's themselves stays low. The region particularly the Himalayan areas of India, Nepal and Bhutan – is additionally wealthy in biodiversity and natural nourishment items. Individuals could team up underway of customary drugs.

**Objective 2:** India's endeavours to advance provincial collaboration will keep on concentrating on the BIMSTEC. But unless all the BIMSTEC member states qualitatively contribute to the association's ability and set solid goals, BIMSTEC will be left with only a couple of more discourses and announcements of aim. India has an extraordinary duty to demonstrate it sees BIMSTEC as in excess of a bounce back relationship of SAARC. In October 2016, Prime Minister Narendra Modi assembled a BRICS-BIMSTEC summit in Goa. In this summit he underscored that the Bay of Bengal nations had "shared yearnings for development, improvement, business and innovation", and that BIMSTEC was the regular stage for India to at the same time execute its territorial network, neighbourhood First and act policies. Both Bangladesh and Bhutan had deputed their authorities likewise demonstrating India's absence of intrigue, India needs to priorities BIMSTEC nations in order to satisfy the dream of look East strategy.

**Objective 3:** Absence of political will has constrained the possibilities of BIMSTEC Nations. Nations like Thailand center more on groups like ASEAN. The tri-lateral highway connecting India-Myanmar-Thailand has been a non starter. Development of intra-regional investment is irrelevant. Absence of good infrastructure has gone about as obstruction to exchange by raising expense and time. Another key test for India is that china has since a long time ago wanted to be a part of the SAARC groupings.

**H<sub>01</sub>:** Dynamic leadership can produce nearer relations among India and BIMSTEC:

High-quality leadership can play an important role in avoiding the further disputes among member countries by settling different disputes in different areas between India and other member countries of BIMSTEC, which can prove to be a solid step to produce closer relations among India and BIMSTEC.

**H<sub>02</sub>:** Diplomatic endeavours and channels have more prominent role and potential in building up nearer relations among India and BIMSTEC nations:

Diplomatic endeavours and channels are major factors for producing closer relations between India and BIMSTEC. Diplomats play an important role in solving any kind of issues. Thus excellent Indian diplomats are essential for fostering relation between India and BIMSTEC.

**H<sub>03</sub>:** The regional associations are significant strategy for security from outside hostility:

As BIMSTEC is a group of seven countries, good relations and solid ties among BIMSTEC countries is important strategy for security and protection from outside hostility and threats. Thus this grouping is a kind of safety from outside hostility to all of its member nations.

## 8. Conclusion

BIMSTEC is a Sub regional grouping intended to coordinate South Asia with Southeast Asia. This seven member organization was set up to accomplish nearer participation between South Asian and Southeast Asian nations for a regional integration. The infrastructural plans to build up rail and road connections are required to change the bilateral and multilateral relations of the two regions. Commitment with Myanmar gave India a vital bit of leeway in perspective on building up land connectivity among India and Southeast Asia. Tamu (India) Kalemmyo (Myanmar) road connection made the start for further augmentation of roadways from India to Southeast Asia. BIMSTEC gave a reasonable collaboration to Thailand to understand its dream policy of "Look West" as it was conceivable simply because Myanmar became land bridge between Southeast Asia and South Asia. Being developed of Indian northeast generally relied upon the BIMSTEC nations to change this region as the transport hub enriched with investment and infrastructural advancements. On the finish of the envisaged highways running from India to Southeast Asia through Myanmar would diminish terrorism, drug trafficking and illicit arms trade in this region.

The BIMSTEC most likely helped India to associate its missing connections with ASEAN. This Sub regional grouping gave a chance to India and ASEAN a more noteworthy and speedier portability of

trade and investments. Periodical meetings at ministerial level and senior official's level made a partiality among the member nations to talk about and execute the measures critically required consideration. The two Summit Meetings one in 2004 and other in 2008 gave political reasons to further incorporate South and Southeast Asian people groups for a nearby participation. The Free Trade Agreement marked by the members assisted India ASEAN with furthering fortify their relations.

On May 2000, a BIMSTEC meeting was held in Bangkok, Thailand in which respective BIMSTEC members were allocated to facilitate different monetary parts. BIMSTEC is a major link which is connecting South Asia with Southeast Asia. The reasons for India to create BIMSTEC are hostile relations with Pakistan and the chance to push the economies of South Asian of Bangladesh and Sri Lanka to interface with Southeast Asia. India is aware about the significance of its eastern states which included eastern Uttar Pradesh, eastern Madhya Pradesh, Bihar, Orissa and West Bengal, these states frames almost thirty three percent of its populace however which comprises the most undeveloped areas of country, could profit by BIMSTEC. This region is luxuriously rich in natural resources and has ripe lands, backwoods, minerals, water assets and potential for hydroelectric power. BIMSTEC can prove to be a major platform for India in cultivating the potential outcomes of improving its trade linkages with Myanmar and Thailand just as the chance to counter China's vital structures inside the region. Myanmar is geo-strategically important for India as Myanmar shares the border with north-eastern Indian states. Chinese sway in Myanmar is noticeable as they have quite recently created an all-weather street from Kunming in China to Mandalay in Myanmar. In such way, China is making Kunming as a regional vitality and transportation hub. In a joint exertion with Myanmar, China is in like manner building infrastructure along the Kunming district towards Southeast Asia.

There is a need to increment intra-Bangladesh China India Myanmar trade by lessening tax and non-duty barriers, improving foundation, expanding investment stream, upgrading network and developing trade help. There is likewise a need to present quicker visa preparing for higher intra-regional trade. In setting of the current condition of play, Bangladesh China India Myanmar forum stays one of the least associated regions on the world. The Bangladesh China India Myanmar members should concentrate on preparing the necessary assets to manufacture the infrastructure development and improving the condition of network inside the region.

## 9. Recommendations and Suggestions

The following are the suggestive measures for the BIMSTEC states:

- i. Most countries in the region are harshly affected by climate change despite being insignificant emitters of GHG, and adaptation is the most feasible approach for them in dealing with climate change. However, India, whose emission level is higher than the rest of the countries in the region, must focus on mitigation.
- ii. Adaptation measures in the BIMSTEC must be scaled up to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change, as laid out in the Global Goal on Adaptation (GGA) in the Paris Agreement. NAPs should be implemented through participatory measures, and adaptation-related institutional arrangements should be strengthened—at the global, regional and national levels—to achieve the GGA.
- iii. The implementation of mitigation and adaptation measures requires significant financial support from developed countries. Such support should be based on the scientific analysis of requirements, with funds being provided based on the scale and extent of damage due to global warming under various scenarios.
- iv. Rich and diverse endowment of natural resources, abundant labour force and strong consumption demand provide a strong case for trade complementarily in BIMSTEC region.

Along with trade in finished goods, the potential for participation in regional value chains in certain sectors such as processed food, textile and clothing, light engineering goods, etc. can be efficiently harnessed. It is imperative to strengthen regional value chains by investing in skill formation, industrial training and value addition.

- v. Services sectors have experienced strong growth in the BIMSTEC states over the past decade. With spread of information technology and digital payments, the provision of and cross-border trade in services has become relative smoother than before. Movement of professionals could open up opportunities for expanding the contribution of services to GDP. Recognition of educational qualifications and trainings by the member states for work and movement of professionals, consultants and skilled personnel from one country to another in BIMSTEC region is key to promote trade in the coming years.
- vi. The long coastline of BIMSTEC countries offers huge potential for expansion of blue economy. India alone has a coastline of 7,500 Kms which can be efficiently utilized for activating blue economy activities in the region. Blue economy comprising of sectors including fisheries, ports & shipping, coastal tourism, offshore renewable energy, deep sea minerals, marine biotechnology, etc. can expand economic activity and contribute to employment creation and inclusive development. BIMSTEC member states may consider designing a regional cooperation plan for BIMSTEC blue economy. To begin with, certain sectors may be chosen for formulating the exact modality of cooperation among the member states.
- vii. BIMSTEC region presents rich flora and fauna and is home to a large number of tourist hotspots. The mountain terrain especially the Himalayas, coastal towns along the Bay of Bengal, cultural and religious sites has enormous potential for building tourist networks in the BIMSTEC region. Some of the proposed tourism circuits in Nepal are Buddhist Circuits, Ramayan Circuit, Muktinath and Janakpur Circuit, etc. Similar circuits can be identified in other BIMSTEC member states as well. In addition, the prospects of eco-tourism and medical tourism in the region are also bright. Tourism is one of the 14 areas of cooperation in BIMSTEC. To unlock this vast potential, BIMSTEC member states shall facilitate development of new tourism circuits in the region.

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