



# **ISAS-COSATT-KAS WORKSHOP**

# **BIMSTEC at 20:**

# **Priorities and Prospects**

24 September 2018 | Singapore

## **PROGRAMME**

- 10.00am      **Registration and Tea/Coffee**
- 10.30am      **Welcome Address**  
**Dr Amitendu Palit**  
Senior Research Fellow and  
Research Lead (Trade and Economics)  
Institute of South Asian Studies, NUS
- 10.40am      **Opening Remarks**  
**Dr Nishchal N Pandey**  
Director, Centre for South Asian Studies, Kathmandu; and  
Convenor, Consortium of South Asian Think Tanks
- 10.50am      **Opening Remarks**  
**Mr Christian Echle**  
Director, Regional Programme Political Dialogue Asia  
Konrad Adenauer Stiftung, Singapore
- 11.00am      **Keynote Address**  
**Ambassador M Shahidul Islam**  
Secretary General  
BIMSTEC
- 11.30am      **Special Address**  
**Ambassador Ong Keng Yong**  
Executive Deputy Chairman  
S Rajaratnam School of International Studies  
Nanyang Technological University, Singapore
- 12.00nn      **Question and Answer Session**  
Moderated By:  
**Dr Amitendu Palit**  
Senior Research Fellow and  
Research Lead (Trade and Economics)  
Director, Institute of South Asian Studies, NUS
- 12.45pm      **Lunch Reception**
- 1.45pm      **Panel I: BIMSTEC – Country Perspective**  
Chairperson  
**Major General A K M Abdur Rahman**  
Director General  
Bangladesh Institute of International and Strategic Studies  
Dhaka, Bangladesh
- 1.55pm      Panellists  
**India**  
**Ambassador Biren Nanda**  
Senior Fellow  
Delhi Policy Group, India

- 2.15pm **Nepal**  
**Mr Kamal Thapa**  
Former Deputy Prime Minister and  
Former Minister of Foreign Affairs  
Nepal
- 2.35pm **Sri Lanka**  
**Mr Asanga Abeyagoonasekera**  
Director General  
Institute of National Security Studies of Sri Lanka
- 2.55pm **Question and Answer Session**
- 3.30pm **Tea Break**
- 3.50pm **Panel II: BIMSTEC – Country Perspective**  
Chairperson  
**Major General (Retd) A N M Muniruzzaman**  
President  
Bangladesh Institute of Peace and Security Studies  
Dhaka, Bangladesh
- Panellists
- 4.00pm **Bangladesh**  
**Mr Faiz Sobhan**  
Senior Research Director  
Bangladesh Enterprise Institute  
Dhaka, Bangladesh
- 4.20pm **Myanmar**  
**Professor Nu Nu Lwin**  
Department of Management Studies  
Yangon University of Economics, Myanmar
- 4.40pm **Thailand**  
**Dr Sathaporn Opanon**  
Associate Professor in the Department of  
International Business, Logistics and Transport  
Faculty of Commerce and Accountancy  
Thammasat University, Thailand
- 5.00pm **Question and Answer Session**
- 5.35pm **Concluding Remarks**  
**Dr Nishchal N Pandey**  
Director, Centre for South Asian Studies, Kathmandu; and  
Convenor, Consortium of South Asian Think Tanks
- 5.45pm **End of Workshop**

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## **About the Workshop**

Beginning with Bangladesh, India, Sri Lanka and Thailand in 1997, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) expanded to its present form in 2004 by including Myanmar, Nepal and Bhutan.

A unique cross-regional grouping between South Asia and Southeast Asia, comprising countries from both regions on the rim of the Bay of Bengal, BIMSTEC was motivated by individual necessities. For South Asian countries like India, Bangladesh and Sri Lanka, BIMSTEC offered opportunities for closer engagement eastward with Southeast Asia, while for Thailand and Myanmar, the grouping enabled access to South Asia. Smaller landlocked South Asian members like Nepal and Bhutan that are geographically proximate to Southeast Asia can also benefit significantly from the economic and political opportunities produced by BIMSTEC. It is, however, unfortunate that, notwithstanding its existence for two decades, BIMSTEC has hardly delivered on its potential and expectations. This is evident from the BIMSTEC Summit, the highest decision-making body of the group, having met only thrice in two decades. The fourth BIMSTEC Summit took place from 28 to 31 August 2018.

This workshop will examine the key discussions at the recently-concluded BIMSTEC Summit such as cooperation among member states in energy transactions, transport movements, combating terrorism and cross-border crimes. It will assess BIMSTEC's current priorities and successes, as well as examine the challenges it faces. It will also seek answers on the path forward for BIMSTEC by gathering the perspectives of the member countries.

## **About the Chairpersons**

### **Major General A K M Abdur Rahman**

Major General A K M Abdur Rahman is Director General of the Bangladesh Institute of International and Strategic Studies. He served as the Grade Two Staff Officer in the Military Operation Directorate in the Army Headquarters and Colonel Staff in an Infantry Division. He is a distinguished instructor and served as Instructor Class Three in the Military Police School, Class Two Instructor and Platoon/Term Commander in the Bangladesh Military Academy, Instructor Class One and Directing Staff in the School of Infantry and Tactics as well as Defence Services Command and Staff College. He served as the Military Secretary of Bangladesh Army in the Army Headquarters, and Senior Directing Staff in the National Defence College.

### **Major General (Retd) A N M Muniruzzaman**

Major General (Retd) A N M Muniruzzaman is a former career military officer who spent over 38 years on active duty. During his active duty tenure, he served at various levels, including the command of an artillery brigade and infantry division. General Muniruzzaman was also the head of Bangladesh artillery. He has served as military adviser to the President of Bangladesh, and has been on the faculties of the Defense Command and Staff College and the National Defense University. General Muniruzzaman has extensive experience in United Nations (UN) Peace Support operations and had the distinct honour of heading the post-election UN Mission in Cambodia.

General Muniruzzaman is the President and Chief Executive Officer of the Bangladesh Institute of Peace and Security Studies, a leading think tank in South Asia. He also headed the government's think tank under the Ministry of Foreign Affairs. He is a founding member of the Non-Traditional Security – Asia Consortium, based at the Nanyang Technological University, Singapore. He sits on the board of Governors of the Council for Asian Transnational Threats Research. He is a member of the International Military Advisers Council on Climate Change and the Global Futures Forum. He is also an advisor on climate change and energy security at the G-20 consultative process.

## **About the Speakers**

### **Ambassador M Shahidul Islam**

Ambassador M Shahidul Islam took up the position of the Secretary General of BIMSTEC on 21 September 2017. A career diplomat, Ambassador Islam joined the Bangladesh Foreign Service in 1988. He served as the Bangladesh Ambassador to France and Permanent Representative to UNESCO (2012-2017) and Ambassador to South Korea (2008-2011). He holds the rank of Ambassador Grade A, equivalent to Secretary to the Government.

In his three-decade long career, Ambassador Islam served as Minister and Deputy Head of Mission at the Embassy of Bangladesh in Washington DC, United State (2001-2006), Counsellor at the Bangladesh Permanent Mission to the United Nations in Geneva, Switzerland (1996-1998) and as Second Secretary and First Secretary in the Bangladesh Deputy High Commission in Kolkata, India (1992-1996). In the Ministry of Foreign Affairs of Bangladesh, he served as Assistant Secretary (1988-1989 and 1991-1992), Director, Europe and Director, Foreign Minister's Office (1998-2001) and Director General in charge of the Americas and Pacific, Europe and Counter Terrorism (2006-2008).

Ambassador Islam holds a Master's Degree in International Relations from the University of Dhaka, Bangladesh, and Post-graduate Diploma in International Relations from the International Institute of Public Administration, Paris, France.

Ambassador Islam is married to Jesmeen Islam and they have a son and a daughter.

### **Ambassador Ong Keng Yong**

Ambassador Ong Keng Yong is Executive Deputy Chairman of the S Rajaratnam School of International Studies at the Nanyang Technological University in Singapore. Concurrently, he is Ambassador-at-Large at the Singapore Ministry of Foreign Affairs, non-resident High Commissioner to Pakistan and non-resident Ambassador to Iran. Mr Ong also serves as Chairman of the Singapore International Foundation.

Mr Ong was High Commissioner of Singapore to Malaysia from 2011 to 2014. He served as Secretary-General of the Association of Southeast Asian Nations, based in Jakarta, Indonesia, from January 2003 to January 2008.

Mr Ong started his diplomatic career in 1979 and was posted to the Singapore Embassies in Saudi Arabia, Malaysia and the United States of America. He was Singapore's High Commissioner to India and concurrently Ambassador to Nepal from 1996 to 1998. From September 1998 to December 2002, he was Press Secretary to the then Prime Minister of Singapore, Mr Goh Chok Tong. At the same time, Mr Ong held senior appointments in the Ministry of Information, Communications and the Arts, and the People's Association in Singapore. From 2008 to 2011, he served as Director of the Institute of Policy Studies in the Lee Kuan Yew School of Public Policy at the National University of Singapore.

Mr Ong graduated from the then University of Singapore with a LLB (Honours) and the Georgetown University (Washington DC, United States) with a MA in Arab Studies.

### **Dr Amitendu Palit**

Dr Amitendu Palit is Senior Research Fellow and Research Lead (Trade and Economic Policy) at the Institute of South Asian Studies (ISAS) at the National University of Singapore. He is an economist specialised in international trade policies, regional economic developments, comparative economic studies and political economy of public policies. He worked with the Government of India for several years with his longest span being in the Department of Economic Affairs in the Ministry of Finance,

India. Prior to joining ISAS in April 2008, he was with the Indian Council for Research on International Economic Relations, a leading economic policy research institute and think-tank in Delhi.

Dr Palit's current research focuses on economic and political implications of India's integration with the Asia-Pacific region, impact of mega-regional trade agreements, and various determinants of external trade and integration policies of China and India. His books include *The Trans Pacific Partnership, China and India: Economic and Political Implications* (2014; Routledge UK), *China India Economics: Challenges, Competition and Collaboration* (2011; Routledge) and *Special Economic Zones in India: Myths and Realities* (2008; Anthem Press; co-authored). He has also edited several books and published in peer-reviewed academic journals. He is a columnist for India's well known Financial Daily, Financial Express and a regular contributor for the China Daily. He appears regularly as an expert on the BBC, Bloomberg, Channel News Asia, CNBC, Australian Broadcasting Corporation (ABC), Doordarshan (India) and All-India Radio.

#### **Dr Nishchal N Pandey**

Dr Nishchal N Pandey is Director of the Centre for South Asian Studies, Kathmandu, Nepal. He is currently in the international research committee of the Regional Centre for Strategic Studies, Colombo. He was Executive Director of the Institute of Foreign Affairs under the Ministry of Foreign Affairs (1998-2006). He holds a PhD in political science from Tribhuvan University. He was also Advisor to the National Planning Commission in 1996-1997. A man of letters, he is author of three books published by SAGE and Manohar Publishers, New Delhi.

Dr Pandey was Visiting Research Fellow at the Institute of South Asian Studies, National University of Singapore (2006-2007) and Visiting Fellow at the University of Hull, United Kingdom (2009). In September 2013, he was Visiting Fellow at the Stiftung Wissenschaft und Politik, a leading think-tank in Berlin, Germany. Dr Pandey is a Visiting Faculty at the Foreign Service Institute, New Delhi, India.

#### **Mr Christian Echle**

Mr Christian Echle is the Director of Konrad Adenauer Stiftung's Regional Programme Political Dialogue Asia, based in Singapore. He is a journalist by training and an alumnus of the foundation's scholarship programme for young journalists. Before moving to Singapore, Mr Echle was the Director of KAS Media Africa, the regional media programme for Sub-Saharan Africa based in Johannesburg, since 2012. After joining the foundation in 2007, he first served as an online editor and Social Media expert at the headquarters in Berlin. Throughout his different postings, the influence of Social Media on Political Communication remains to be one of his main focuses.

#### **Ambassador Biren Nanda**

Ambassador Biren Nanda is Senior Fellow at the Delhi Policy Group, New Delhi, India. Upon completion of his Post Graduate degree in Economics from the Delhi School of Economics, Ambassador Nanda joined the Indian Foreign Service in 1978. He served as a diplomat in Indian Missions in Singapore, Beijing, Shanghai, Washington, D.C., and Tokyo. Ambassador Nanda retired from the Indian Foreign Service in January 2015. He has since participated in several Track 2 dialogues involving major think-tanks of Japan, Australia and China. In July 2016, he joined the Delhi Policy Group as a Senior Fellow.

The senior positions held by Ambassador Nanda during his diplomatic career included the following: High Commissioner of India to Australia (2012 - 2015); Ambassador of India to the Republic of Indonesia (2008 - 2012); Joint Secretary (South), Ministry of External Affairs, India (2004-2008); Deputy Chief of Mission in the Embassy of India in Tokyo (2000-2004); and Consul General of India in Shanghai (1996-2000).

### **Mr Kamal Thapa**

Mr Kamal Thapa is a senior politician of Nepal and currently President of the Rastriya Prajatantra Party. He was Deputy Prime Minister and Minister of Foreign Affairs, Energy, Federal Affairs and Local Development. He was also Minister of Home Affairs and Information and Communications of Nepal. Mr Thapa has led the Nepali delegations to dozens of regional and international meetings. Once a famous footballer, Mr Thapa is also an avid tennis player.

### **Mr Asanga Abeyagoonasekera**

Mr Asanga Abeyagoonasekera is Director General of the Institute of National Security Studies Sri Lanka under the Ministry of Defence. Prior to this, he served in the Lakshman Kadirgamar Institute for International Relations and Strategic Studies. He was also the Chairman of Sri Lanka Foreign Employment Agency, the only Government Foreign Recruitment Agent (2010-2011).

In 2004, Mr Asanga served as a Senior Consultant to the Minister of Transport. Before joining the government, he worked in the private sector at the Sri Lanka Telecom and Hutchison Lanka. He holds an MBA, BSC in Computer Science from Western Australia, and Executive Education from Harvard Kennedy School. He was awarded by the Golden Key International Honour Society for his outstanding Academic achievement. In 2012, he was selected as a Young Global Leader by the World Economic Forum in Davos, Switzerland.

### **Mr Faiz Sobhan**

Mr Faiz Sobhan has over two decades of work experience on a wide range of international political, economic, social and security issues. Prior to joining the Bangladesh Enterprise Institute (BEI) in Dhaka, Bangladesh, Mr Sobhan spent 13 years at the Commonwealth Secretariat, in London, England, working on a wide range of economic, social and environmental issues. He joined BEI as Research Director in the Foreign Policy, Security, Preventing and Countering Violent Extremism section in 2009 and was promoted to Senior Research Director in July 2018.

Mr Sobhan has authored articles and publications on international affairs, international security, countering radicalisation and violent extremism. His research includes issues related to regional cooperation, security, radicalisation, terrorism and counter-terrorism, and preventing and countering violent extremism. His presentations at national, regional and international seminars and conferences have included the following topics: 'SAARC: Towards Meaningful Cooperation'; 'India-Bangladesh Relations'; 'Bangladesh-Myanmar Relations'; 'Bangladesh-China Relations', 'Countering Violent Extremism (CVE) through Strategic Communications'; 'Role of Civil Society in CVE'; 'The Role of Women in CVE'; 'The Role of Media in CVE'; 'The Boat Migrant Crisis of South and Southeast Asia'; 'Countering Radicalisation in Bangladesh'; 'The Role of the Private Sector in CVE' presented at Australia's Regional Summit to Counter Violent Extremism; 'Countering ISIL Radicalisation Modalities Globally and in South Asia', 'Regional workshop on Countering Violent Extremism in Asia through Development Assistance'; and 'Territorial Demise of ISIS: Implications for South Asia'.

Mr Sobhan has a MA degree in International Studies and Diplomacy from the School of Oriental and African Studies, University of London, and a BA degree in International Studies from George Mason University in the United States. He is an alumnus of the Near East and South Asia Center for Strategic Studies of the National Defense University in Washington DC, USA.

Mr Sobhan has been interviewed by New York Times, CNN, Wall Street Journal, Canadian Broadcasting Corporation, Xinhua News, China Central Television Network, Channel News Asia, and Yomiuri Shimbun among others. His articles have been published in the Nikkei Asian Review, the Council for Asian Terrorism Research, Macquarie University, Australia, the Daily Star, Dhaka Tribune and Dhaka Courier, among others.

### **Professor Nu Nu Lwin**

Dr Nu Nu Lwin is a Professor in the Department of Management Studies, Yangon University of Economics (YUEco), Myanmar. As a professor, she gives lectures in MBA, Executive MBA, and Doctoral programmes, supervises Master theses and PhD dissertations of the students, and conducts several research projects mainly focused on regional economic integration of the Southeast and East Asian countries. She also takes the responsibility for Quality Assurance (QA) of the University as a Director of the QA Unit.

Dr Nu Nu Lwin holds a BCom (Honours), MCom, and PhD (Economics) degrees from the Yangon Institute of Economics and a Diploma in Computer Science from the Yangon University of Computer Studies. She also received her MSc degree majoring in International Cooperation Policy from the Ritsumeikan Asia Pacific University, Japan. She conducted research at the International Developing Economies, Japan, and Seoul National University, Korea, as a Visiting Research Fellow in 2009 and 2013-2014 respectively. Her teaching and research experiences are in International Economics, with specialisation in ASEAN, International Business Management, Marketing Management, Entrepreneurship and Small Business Management, and Managerial Economics.

### **Dr Sathaporn Opananon**

Dr Sathaporn Opananon is an Associate Professor in the Department of International Business, Logistics and Transport, Faculty of Commerce and Accountancy, Thammasat University, Thailand. He received his Bachelor of Engineering with Second Class Honors from Chulalongkorn University. In 1998, he was granted a scholarship by the Royal Thai Government for pursuit of Master's degree at the Pennsylvania State University. He received his PhD in Transportation Engineering from the University of Maryland in 2004. After completion of his PhD, he returned to Thailand to work for the Ministry of Transport.

Dr Opananon joined Thammasat Business School in 2006. He served as the Director of the Journal of Business Administration from 2009 to 2017. Currently, he is the Director of the PhD programme. His expertise includes logistics and supply chain management, network optimisation, transportation management, system simulation and evacuation. He has been involving a host of logistics research projects in both public and private sectors. His research papers have been published in the Journal of the Operational Research Society, the European Journal of Operational Research, Transportation Research Record, Transport Policy, International Transactions in Operational Research and the Asia Pacific Journal of Marketing and Logistics.

## **About the Presentations**

### **Panel I: BIMSTEC – Country Perspective**

#### **India: Ambassador Biren Nanda**

In his presentation, Ambassador Biren Nanda poses and attempts to answer a series of questions: What were the drivers that pushed India into becoming a founder member of BIMSTEC? How has regional integration progressed within BIMSTEC in recent years? What are the key challenges BIMSTEC must address? Why is there revived interest in BIMSTEC now? What has, over the years, been India's role in BIMSTEC? He concludes his presentation with a section on the key outcomes of the Kathmandu Summit.

#### **Nepal: Mr Kamal Thapa**

BIMSTEC is important to Nepal, particularly in the areas of transport and energy connectivity. It has the potential of bringing Nepal closer to the economic powerhouses of the ASEAN region. The possibilities of direct trade between Nepal and Myanmar and between Nepal and Bangladesh through BIMSTEC are an alluring prospect. Engagement through the BIMSTEC platform can enable Nepal to



become a more prominent actor in the regional architecture in the Asia-Pacific region and contribute more to the regional agenda of development and stability.

#### **Sri Lanka: Mr Asanga Abeyagoonasekera**

The Bay of Bengal, the world's largest bay, is a funnel that connects over 1.6 billion people. Rich in natural resources and trade, it is an ideal platform for the South Asian nations to look east and for the East Asian nations to look west. BIMSTEC will be the regional integrator of this complex geopolitical environment. 6 June 2017 marked 20 years of the establishment of BIMSTEC.

Understanding the present complex geopolitical environment and the great power tension looming in Asia is essential with the rising China who is expanding its presence from the Belt and Road Initiative which aims to increase China's North-to-South access routes to the Indian Ocean, especially via Bangladesh, Myanmar and Sri Lanka. In response, New Delhi now seeks to develop alternative East-to-West connectivity plans between South and Southeast Asia across the Bay of Bengal.

From the inception of BIMSTEC in 1997, Sri Lanka has played a significant role and today, Sri Lanka's President Maithripala Sirisena is the Chair of BIMSTEC. Sri Lanka, sitting at the crossroads of the East-West trade routes of the Indian Ocean, is a geostrategical "super connector", a hub that could bring prosperity to the entire region. Sri Lanka could play a lead role in BIMSTEC, not only in trade and economics, but also in security cooperation in combating terrorism, transnational organised crime and illicit drug trafficking. In the recent BIMSTEC Summit, President Sirisena said "Illicit drugs have become the most serious challenge and we require more advanced technology and training for our coast guard to fight drug smuggling at sea." BIMSTEC is an ideal platform to strengthen mechanisms to enhance security domain. Sri Lanka as one of the few nations that has completely defeated a terrorist outfit. It can share its rich experience with the member states as BIMSTEC recognises terrorism as the most significant threat to peace and stability in the Bay of Bengal.

As India's Prime Minister Narendra Modi rightly said at the recent BIMSTEC Summit, "Each of our countries seeks peace, prosperity and happiness, but in today's inter-connected world, we cannot achieve this alone". To achieve peace and prosperity, regionalism is essential and it is essential that the most powerful members in BIMSTEC render their support as well. The optimism about BIMSTEC's future is mainly due to the Prime Minister Modi's absolute commitment to strengthen the organisation. The presentation will examine Sri Lanka's important role as the present Chair of BIMSTEC.

#### **Panel II: BIMSTEC – Country Perspective**

##### **Bangladesh: Mr Faiz Sobhan**

Over three decades ago, the foundation of cooperation among South Asian nations laid with the establishment of South Asian Association for Regional Cooperation (SAARC) in 1985 in Dhaka. This mode of cooperation was followed over a decade later by BIMSTEC in 1997. However, during the past two decades, the full potential of BIMSTEC has not been realised for a number of reasons. Bangladesh as a key South Asian member of the economic bloc has a valuable role to play having initiated the formal process of cooperation among its neighbouring countries. The presentation will examine the relevance of BIMSTEC for Bangladesh and attempt to identify the challenges and opportunities for enhancing cooperation among all its member states.

##### **Myanmar: Professor Nu Nu Lwin**

The presentation aims to assess Myanmar's position in BIMSTEC and to explore the challenges and potential for Myanmar as a member of BIMSTEC. Myanmar's main advantage is its geostrategic position as a link between South and Southeast Asia, and that it shares a border with three member countries – Bangladesh, India and Thailand. Despite such a geographical advantage, the benefits from

participating in BIMSTEC has yet to be fully realised for many reasons. The main reasons are the lack of momentum in cooperation between member countries in the various sectors, especially in agriculture, energy, trade and investment, and transportation. Now it becomes more important and urgent to accelerate the cooperation for BIMSTEC-member countries under the context of power balancing between China and the United States. The presentation recommends accelerating the collaboration and coordination between member countries in such areas as building regional value chains for agriculture products, establishing regional networks for agriculture and food security, and improving transport connectivity, including multi-modal transportation, and operationalising grid interconnection and energy centre in order to promote trade, investment and people connectivity. By implementing these measures, Myanmar can be expected to boost its trade, investment and tourism and, thereby, realise its economic potential for the prosperity of Myanmar people.

**Thailand: Dr Sathaporn Opananon**

Thailand is located at the centre of the Indochina peninsula in Southeast Asia. The country shares its border with Myanmar and Lao People’s Democratic Republic (Lao PDR) in the North, Myanmar and the Andaman Sea in the West, Lao PDR and Cambodia in the East, and the Gulf of Thailand and Malaysia in the South. The coastal land in the South of the country is surrounded by both the Gulf of Thailand and the Andaman Sea. Geographically, while the strategic location of Thailand could serve as a gateway for BIMSTEC to ASEAN, the country shares no border with other BIMSTEC countries except Myanmar, and, thus, the mode choice plays a vital role in the efficiency and effectiveness of logistics connectivity. In the presentation, all possible modes of transportation connecting Thailand with BIMSTEC-member states are specifically addressed, and the necessary enhancement of physical and institutional infrastructure are explored.

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# MYANMAR & BIMSTEC

Nu Nu Lwin, Dr.  
Professor  
Dept. of Management Studies  
Yangon University of Economics.

## Abstract

This paper aims to assess the situation of Myanmar position in Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and to explore the challenges and potential for Myanmar as a member of BIMSTEC. The main advantage of Myanmar is its geostrategic position as a link between South and Southeast Asia and share border with three member countries: Bangladesh, India, and Thailand. Despite such locational advantage it possesses, the benefits from participating in BIMSTEC has yet to be fully realized for many reasons. The main reasons are weak and less momentum in cooperation between member countries in respective sectors especially in agriculture, energy, trade and investment, and transportation. This paper recommends to accelerate the collaboration and coordination between member countries in such areas as building regional value chains for agriculture products, establishing regional networks for agriculture and food security, and improving transport connectivity including multi-modal transportation, and operationalizing grid interconnection and Energy Centre in order to promote trade, investment, and people connectivity. By implementing these measures, Myanmar can be expected to boost its trade, investment and tourism and thereby, to grasp its economic potential and prosperity of Myanmar people.

Key words: BIMSTEC, geostrategic position, connectivity, collaboration and coordination, regional value chain.

## 1. Introduction

As an economically vibrant region, South and Southeast Asia has been endeavoring economic integration for decades through building robust regional integration initiatives such as Association of Southeast Asian Nations (ASEAN) and South Asian Association for Regional Cooperation (SAARC). However, given the different levels of development and different patterns of integration with extra-regional drivers, sub-regional cooperation is seen as an alternative and powerful mechanism to foster deeper economic integration through cross-border cooperation conducted by sub-national actors.

Among sub-regional groupings spurring in late twentieth century, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is formed with geographically contiguous South and Southeast Asia countries located around the Bay of Bengal on 6 June 1997. Nowadays, BIMSTEC comprises of seven members: five countries from South Asia, namely Bangladesh, Bhutan, India, Nepal, and Sri Lanka, and two from Southeast Asia, viz. Myanmar and Thailand. BIMSTEC is a home of almost 1.7 billion people which accounting for around 22% of the world population with a combined gross domestic product (GDP) of US\$3.5 trillion. The aim of the group is to create an enabling environment for rapid economic development through identification and implementation of specific projects in trade and investments, industry, technology and environmental cooperation. In fact,

The Republic of the Union of Myanmar has been participating in BIMSTEC since December 1997 during a special Ministerial Meeting in Bangkok. Myanmar is located in strategic position between South and South East Asia region and bridging India's Act East Policy and Thailand's Look West Policy. Sharing border with three member countries of BIMSTEC, i.e. Bangladesh, India, and Thailand, Myanmar possesses the opportunity to enhance its position of a hub in trade and investment flows in the region.

During twenty years of its cooperation, the achievement of BIMSTEC seems to be modest. The promotion of intra-regional trade and investment has been witnessed lack of momentum. The ratio of intra-regional trade in total trade value of BIMSTEC merely increased 3 per cent points in its 20 years of cooperation with the varying degree of integration among member countries. The inward FDI into the BIMSTEC region was marginally improved from almost 2 per cent of inward FDI flows all over the world in 1997 to about 3 per cent in 2017. Intra-regional FDI inflows has been slightly more than 1 per cent of total FDI flows of the member countries. These factors highlight an urgent need to accelerate the proper cooperation and coordination among BIMSTEC member nations.

## **2. The Structure of BIMSTEC**

BIMSTEC was formed with seven countries in the Bay of Bengal basin to exploit the synergies in their capabilities and resource endowments to accelerate the growth of the region through mutual cooperation in different areas of common interests. Unlike many other regional groupings, BIMSTEC is a sector-driven cooperative organization. Since its establishment, BIMSTEC aims for trade and technological cooperation among its members in the areas of trade and investment, tourism, transport, and communication, technology, energy and fisheries. In 2008, it expanded to embrace nine more sectors—including agriculture, public health, poverty alleviation, counter-terrorism, environment, culture, people to people contact and climate change. Moreover, BIMSTEC endeavors to establish a Free Trade Area in the region to promote harmonious development of economic relations among member countries through expansion of trade by providing fair conditions of trade competition among them.

As shown in Table-1, BIMSTEC region is a home of 1.7 billion people which is 22.3 per cent of the world population with combined GDP of US\$3.5 trillion that represent 4.32 per cent of

the world GDP as of 2017. Per capita income ranges from US\$835 for Nepal to US\$6593 for Thailand. Average GDP growth rate of the region in 2017 was 3.15 per cent which varied from greater than 7 per cent in Bangladesh and Nepal, more than 6 per cent in Bhutan, India, and Myanmar, and those of remaining two countries are hovered around 3 per cent.

Regarding intra-regional trade, two largest economies of the BIMSTEC, India and Thailand do business with distant partners which is highlighted by the marginal share of intra-regional trade of BIMSTC which has increased merely 3 per cent point in its 20 years of establishment. As shown in Table-2, total trade volume of the region amounted to be US\$1356.24 billion, of which only 6 per cent or US\$81.38 billion was intra-regional in 2017. Naturally, BIMSTEC is less significant for large economies like India and Thailand as a trade partners which taken only less than 5 per cent of their total trade values while those of small economies such as Nepal and Bhutan accounted for greater than 65 per cent and 90 per cent, respectively.

Regarding intra-regional FDI, BIMSTEC member countries invested in the group slightly more than 2 per cent of their total FDI flows. The total inward FDI stocks for the period of 2000-2016 is presented in Table-3. As shown in the Table, Thailand is the largest investors in BIMSTC with almost 70 per cent of intra-regional FDI and most of that amount flows into Myanmar. India has been the second largest investor in the group which takes about 28% of intra-BIMSTEC FDI inflows and 77% of its FDI goes into Sri Lanka.

### ***Energy***

Growing economies mean increasing demand of sustained energy supplies and energy security has been an important agenda of BIMSTEC member economies. India is the sixth largest energy consumer of the world while Myanmar has ample of gas reserve estimating to last for another many years at the current rate of extraction. It can lead to mutual beneficial cooperation in BIMSTEC and can also help in bringing better commercial cohesion within the region.

### ***Connectivity***

Infrastructure in the form of transport and communication constitutes one of the priority sectors of BIMSTEC. It includes transport and cross border facilitation, multi modal transport and logistics, infrastructure development, aviation, maritime transport, as well as communication linkages and networking. The projects such as Kaladan Multi-Modal Project and India-Myanmar-Thailand Trilateral Highway Project aims to connect South Asian with ASEAN countries. Moreover, the completing missing links in the Trans Asian Railways (TAR) and Optical Fibre Telecommunication project along the Trilateral Highway are under the aegis of BIMSTEC.

### ***Tourism***

The region is an exceptional tourism destination with the exotic flora and fauna, natural scenic beauty, unique performing arts and varied cuisine and handicrafts. The presence of large number of religious places of different cultures in the region could also help in promoting pilgrim tourism. BIMSTEC Tourism Information Centre was established in India as well as to explore the possibility of setting up a BIMSTEC Tourism Fund with financial contributions

from each member country. Through proper implementation, BIMSTEC region can become one of the best tourism hubs of the world, which in turn will show the flow of income and investment.

### ***Security Concerns***

BIMSTEC members recognized that security challenges both natural and man-made require collective endeavor to be overcome. Security concerns include international terrorism, transnational crime, drug trafficking and mutual legal assistance in criminal matters. Without proper controlling mechanism, the multilateral and bilateral cooperation become less practical. A significant step in this direction was the endorsement and signing of a Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking in the BIMSTEC Ministerial Meeting held in 2009.

### **3. Role of Myanmar in BIMSTEC**

Myanmar plays as a bridge between South and Southeast Asia region. Myanmar shares international borders with three members of BIMSTEC: Bangladesh, India, and Thailand. Myanmar is the second largest country in terms of land area and fifth position in terms of both GDP and GDP growth rate in BIMSTEC region. Myanmar's trade volume with BIMSTEC countries has been gradually increased from US\$0.23 billion in 1997 to US\$6.76 billion in 2017. The share of intra-BIMSTEC trade in Myanmar total trade has been grew from 5.7 per cent in 1997 to 36.8 per cent in 2012 and declined again to 20.2 per cent in 2017 (Table-2).

Among BIMSTEC member countries, India and Thailand are important trade partners as well as FDI sources of Myanmar. As Shown in Table-4, Thailand and India are second and fifth largest export destinations and third and six import sources of Myanmar in 2017. Regarding foreign direct investment (FDI), Thailand is the third largest source of total FDI stocks with US\$11.09 trillion and India takes eleventh largest position with US\$0.76 trillion in total FDI stocks of Myanmar till 2017 (Table-5).

Myanmar is agro-based country with a vast potential of fertile land and abundant water resources with different climate areas. Accordingly, agriculture products take a big share in Myanmar exports to BIMSTEC member countries. Major agriculture products are rice, pulses, maize, broken rice, sesamum seeds, onion, turmeric finger, niger seeds, ginger, tobacco, tamarind, vegetable seeds, and cotton. As shown in Table-6, in 2007, almost all exports of Myanmar to Sri Lanka and Nepal were agricultural products while those exports to Bangladesh and India accounted for around 60 per cent of total exports to these countries. In addition, it is notably that the earning from natural gas export accounted for 28.2 per cent of Myanmar total exports to Thailand in 2017.

Myanmar takes the leading roles in two sectors, Energy and Agriculture, among 14 priority sectors of BIMSTEC for coordination and implementation of measures related to those areas. In agricultural sector, till recently, there has been some barriers especially the absence of any dedicated funds hinders the implementation of identified Common Projects. In sixth EGMAC

meeting in December 2017, it recommended that efforts need to be made to secure internal as well as external funding for the implementation of the Common Projects. To address the emerging challenges and further enhancement of the cooperation, Myanmar offers to host the first Meeting of the Ministers of Agriculture in Myanmar in 2018-2019.

Even though BIMSTEC region exist in the location of abundance of energy resources, growing economies cause the ever-increasing demand of electric power which is always higher than that of supply. This situation bows the importance of enhancing energy cooperation and energy trading among member countries in filling the energy gap within the region. As a leader of energy sector, Myanmar organized to establishment of BIMSTEC Energy Centre in 2009. Continued cooperation is vital for the early operationalization of BIMSTEC Energy Center. In August 2018, MoU for the establishment of BIMSTEC Grid Interconnection has been signed and it can be a framework for intra-region electricity trade among the member countries.

Connectivity plays a key role to unlock the socio-economic development and ultimately the enhancement of regional integration. Given to the geostrategic position of Myanmar between BIMSTEC and ASEAN, almost all of the intra-region connectivity programs, namely Kaladan Multi-Modal Project, India-Myanmar-Thailand Trilateral Highway Project, the completion of missing links in the Trans Asian Railways (TAR), Optical Fibre Telecommunication project can offer huge opportunities for strengthen its strategic position and thereby, development of Myanmar economy.

#### **4. Way Forward**

Myanmar has abundant amount of crude oil reserves approximating to the tune of 150 million barrels, while its natural gas reserves are around 10 to 13 trillion cubic feet. Myanmar as a lead country in the energy sector of the grouping, and India with its expertise could contribute to the overall objective of BIMSTEC by using the energy demand-supply aspect for regional resource cooperation with related reciprocity.

Highway Entry of northeast in the BIMSTEC initiative means opening up through proper infrastructure development with proper coordination with Myanmar. Changing northeast from being mere border point to profitable economic gateways has become an urgent imperative for India for which a proper infrastructural link is much needed with Myanmar.

Accordingly, Kaladan Multi-Modal Transit Transport Project which envisages development of road and inland waterways from Sittwe port in Myanmar to Mizoram of India. Tamanthi Hydro-Electric Power Project in the Chindwin River, once completed could supplement the power needs of northeast region of India. Moreover, Moreover, the proposed BIMSTEC Master Plan on Transport Connectivity can guide action and promote synergies among various coordination frameworks can serve as the strategic document for ASEAN Master Plan for Connectivity 2025 (AMPC, 2025) and Ayeyarwaddy-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). Moreover, BIMSTEC still needs to speed up the establishment of seamless multimodal transportation linkage and smooth, synchronized and simplified transit facilities. In this regard, it is critically important to speed up the realization of BIMSTEC Coastal Shipping Agreement and the BIMSTEC Motor Vehicle Agreement.

Despite significant achievements, BIMSTEC member countries still needs to accelerate cooperation in poverty alleviations, transport movement, combating terrorism, and preventing cross border crime for the prosperity of the region. Myanmar has been committing to alleviate poverty in the BIMSTEC region to ensure dignity, improve the quality of life and well-being of the peoples. In addition, Myanmar has been encountering the scourge of terrorism. It also takes the responsibility as a lead country of BIMSTEC Sub-group on Narcotic Drugs, Psychotropic Substances and Precursor Chemicals and hosted several meetings under BIMSTEC.

In conclusion, all member countries of BIMSTEC need to promote a democratic and rules-based international order, in which all nations, small and large, thrive as equal and sovereign. They need to work with others to keep the seas, space and airways free and open secure from terrorism, and cyberspace free from disruption and conflict. To do so, each economy to be opened and transparently engaged it. Thus, the cooperation among BIMSTEC countries create commitment which can be expected mutually beneficial relationship towards “Peaceful, Prosperous and Sustainable Bay of Bengal Region”.



**Table-1: Selected Economic Indicators of BIMSTEC Countries (2017)**

	Land Area (000' Sq. Km)	Population (Million)	GDP, (US\$' Billion)	Per Capita GDP (US\$)	GDP Growth Rate (%)	FDI, (US\$' Billion)	Export (US\$' Billion)	Import (US\$' Billion)	Unemp- loyment Rate	Inflation Rate	Source of Electricity	
											Hydro Power (%)	Coal, Gas, & Fuel (%)
Bangladesh	130.17	164.67	249.72	1516.51	7.28	2.15	39.16	56.82	4.4	5.51	1.05	98.68
Bhutan	38.117	0.81	2.51	3110.23	6.82	-0.01	0.71	1.23	2.4	4.38	n.a.	n.a.
India	2973.19	1339.18	2597.49	1939.61	6.62	39.98	488.09	561.45	3.5	4.94	10.23	81.73
Myanmar	653.08	53.37	69.32	1298.88	6.37	4.68	13.98	18.67	4.0	6.96	62.36	37.64
Nepal	143.35	29.30	24.47	835.08	7.50	0.20	2.43	11.62	2.7	8.79	99.79	0.03
Sri Lanka	62.71	21.44	87.17	4065.22	3.11	1.37	19.12	25.40	4.1	3.99	36.53	60.80
Thailand	510.89	69.04	455.22	6593.82	3.90	9.10	310.76	249.08	1.1	0.19	3.19	90.92
<b>BIMSTEC</b>	<b>4511.507</b>	<b>1677.82</b>	<b>3485.92</b>	<b>2765.62</b>	<b>3.15</b>	<b>57.48</b>	<b>874.26</b>	<b>924.28</b>	<b>5.5</b>	<b>-</b>	<b>-</b>	<b>-</b>
% of World Total	3.48	22.28	4.32			3.09	3.83	4.16				

Source: World Development Indicator (2017), World Bank

**Table-2: Intra-Regional Trade of BIMSTEC (% of Total Trade)**

	1997	2002	2007	2012	2017
Bangladesh	9.06	10.59	11.11	11.04	11.58
Bhutan	-	61.99	81.98	87.28	91.87
India	3.34	3.94	3.39	3.21	4.23
Myanmar	5.69	29.64	39.85	36.78	20.21
Nepal	28.18	49.35	65.56	67.74	65.76
SRI Lanka	8.24	11.48	20.09	18.13	18.82
Thailand	1.01	2.14	3.01	3.58	4.16
Intra-BIMSTEC	<b>2.83</b>	<b>4.61</b>	<b>4.88</b>	<b>4.78</b>	<b>6.00</b>
BIMSTEC (US\$' Billion)	6.33	12.66	36.46	65.69	81.38
Total Trade (US\$' Billion)	<b>223.98</b>	<b>274.60</b>	<b>746.57</b>	<b>1,373.39</b>	<b>1,356.24</b>

Source: Direction of Trade Statistics (April, 2018), IMF

**Table – 3: Intra-regional FDI Inflows of BIMSTEC (2000~2016)**

Investor	Recipient (% of Intra-BIMSTEC FDI)							BIMSTEC	
	Bangladesh	Bhutan	India	Myanmar	Nepal	Sri Lanka	Thailand	(US\$' Million)	% of Intra-BIMSTEC
Bangladesh		n.a.	27.84	6.44	15.51	n.a.	50.21	34.25	0.30
Bhutan	n.a.		n.a.	n.a.	n.a.	n.a.	100.00	0.46	0.00
India	9.28	3.76		6.20	n.a.	76.99	3.77	3233.02	28.12
Myanmar	n.a.	n.a.	16.59		n.a.	0.00	83.41	49.48	0.43
Nepal	n.a.	n.a.	59.93	n.a.		0.00	40.07	4.08	0.04
Sri Lanka	74.50	n.a.	22.56	0.04	n.a.		2.89	191.41	1.66
Thailand	4.58	0.12	3.32	91.98	n.a.	n.a.		7984.90	69.45
BIMSTEC	4.69	38.52	0.08	39.71	0.90	27.17	0.16	11497.60	100.00
<b>World (US\$' Million)</b>	<b>17230.61</b>	<b>341.10</b>	<b>399964.58</b>	<b>19005.05</b>	<b>590.13</b>	<b>9160.87</b>	<b>114303.87</b>	<b>560596.20</b>	

Source: Data from database: World Development Indicators, World Bank

**Table -4 Top Ten Trade Partners of Myanmar**

(USD' Millions)

	1997	2002	2007	2012	2017
World	3,993.59	6,165.93	9,584.57	17,163.68	33,439.71
1. China	693.45	632.20	1,409.52	3,879.50	11,513.83
2. Thailand	n.a.	1,058.33	2,757.40	3,164.13	4,865.33
3. Singapore	934.50	1,293.68	1,235.18	2,432.91	3,666.36
4. Japan	322.13	227.65	422.40	1,259.30	1,958.13
5. India	218.78	722.96	986.56	3,043.49	1,683.22
6. Malaysia	458.58	263.97	281.63	698.68	1,186.90
7. Indonesia	182.03	347.66	293.78	180.32	1,037.15
8. United States	134.18	397.60	15.80	77.89	972.76
9. S. Korea	165.75	254.23	253.77	540.27	828.92
10. Vietnam	3.41	52.21	111.69	128.49	701.94
<b>% of Total Trade</b>	<b>77.95</b>	<b>85.15</b>	<b>81.04</b>	<b>89.75</b>	<b>84.97</b>

Source: Direction of Trade Statistics (April, 2018), IMF

**Table-5: Top Twelve FDI Sources of Myanmar (US\$' Million)**

Sr. No.	Country	2002	2007	2012	2017	Foreign Capital Stock
1	China			231.77	1395.22	20097.27
2	Singapore	6.10	38.00	418.23	2163.96	19644.48
3	Thailand		16.22	1.30	123.86	11092.75
4	Hong Kong	12.88		84.84	251.98	7867.98
5	United Kingdom			232.70	211.18	4382.13
6	S. Korea	0.30	12.00	37.94	253.90	3884.58
7	Viet Nam			329.39	20.81	2106.51
8	Malaysia	62.25		4.32	21.88	1961.95
9	The Netherlands			10.30	533.92	1528.49
10	Japan		1.37	54.06	384.12	1163.70
11	India		137.00	11.50	10.99	763.57
12	France		-1.37		7.34	549.74
	<b>World Inward FDI</b>	<b>86.95</b>	<b>207.09</b>	<b>1419.47</b>	<b>5718.09</b>	<b>77285.01</b>

Source: Monthly Indicators (August, 2018), DICA

**Table-6: Myanmar's Export to BIMSTEC Countries by Principal Commodity (2017)**  
(US\$' Million)

Sr. No.	Commodity	Bangladesh	Bhutan	India	Nepal	Sri Lanka	Thailand	BIMSTEC
1	Pulses	16.6	-	329.44	6.84	12.71	10.21	375.8
2	Niger Seeds			2.81				2.81
3	Rubber			2.49				2.49
4	Tumeric	1.22		1.37		0.03		2.62
5	Ginger			0.08				0.08
6	Broken Rice	0.47						0.47
7	Rice	81.81				23.77		105.58
8	Tamarind						0.43	0.43
9	Sesamum Seeds						1.56	1.56
Agri Exports		100.1 (58.9%)		336.19 (55.3%)	6.84 (90.1%)	36.51 (95.0%)	12.2 (0.4%)	491.84 (13.4%)
Other Commodities		69.94 (41.1%)	-	272.00 (44.7%)	0.75 (9.9%)	1.93 (5.0%)	2834.21 (86.6%)	3178.83 (86.6%)
<b>Total Exports</b>		<b>170.04</b>	<b>-</b>	<b>608.19</b>	<b>7.59</b>	<b>38.44</b>	<b>2846.41</b>	<b>3670.67</b>

Source: Ministry of Commerce (2018)