

Seminar on
Bangladesh and BIMSTEC: Way Forward
Draft Summary of the Proceedings

13 January 2015

Organised by



Bangladesh Institute of International and Strategic Studies (BISS)
1/46 elephant Road, Ramna, Dhaka 1000

Seminar on
Bangladesh and BIMSTEC: Way Forward
Draft Summary of the Proceedings



Bangladesh Institute of International and Strategic Studies (BISS) organised a daylong seminar titled “**Bangladesh and BIMSTEC: Way Forward.**” The seminar was held at the BISS auditorium on 13 January 2015. It was divided into four sessions. Besides the inaugural and concluding sessions, there were two working sessions where distinguished scholars and official presented eight papers. **Mr Abul Hassan Mahmood Ali, MP**, Honourable Minister, Ministry of Foreign Affairs, Government of the People’s Republic of Bangladesh graced the inaugural session as the Chief Guest. **HE Sumith Nakandala**, Secretary General of BIMSTEC graced the event and this session as Special Guest. **Mr Md Shahrir Alam, MP**, Honourable State Minister, Ministry of Foreign Affairs, Government of the People’s Republic of Bangladesh graced the concluding session as the Chief Guest.

Inaugural Session

Ambassador Munshi Faiz Ahmad, Chairman, Board of Governors of BISS chaired the inaugural session. **Major General A K M Abdur Rahman**, ndc, psc, Director General of BISS delivered the Address of Welcome.

Ambassador Munshi Faiz Ahmad
Chairman, Board of Governors, BISS

Bangladesh should remain actively involved with as many regional and multilateral organisations as possible. Founded in June 1997, BIMSTEC consists of several countries in South and Southeast Asia, bringing together 1.5 billion people, a combined GDP of over US\$ 2.5 trillion and a total trade potential of over US\$59 billion. Geography places Bangladesh at the centre of BIMSTEC that has made vital progress since inception and proceeded amidst challenges; the way forward presents more challenges and huge opportunities also. Some major areas of cooperation in BIMSTEC are trade and investment, transport and



communication, energy, poverty alleviation, tourism, people-to-people contact, counterterrorism and transnational crimes, etc. A vibrant BIMSTEC will contribute significantly towards Bangladesh's efforts to fulfill its "Vision 2021", for a middle income, digital Bangladesh.

Major General A K M Abdur Rahman, ndc, psc
Director General, BISS



BIMSTEC is a unique platform linking South and Southeast Asia, aimed at increasing intra-regional trade among members and also covers other areas of cooperation. At the third Summit of the BIMSTEC held in Myanmar in March 2014, Honourable Prime Minister of Bangladesh Sheikh Hasina reiterated her government's "total commitment" to BIMSTEC. Despite geographical closeness, BIMSTEC members have not been able to eliminate the physical as well as psychological barriers among the people. Therefore, both physical and people-to-people contact should be given utmost priority. In order to overcome infrastructural bottlenecks and promoting connectivity in terms of road and railway networks, air-links, ports and inland waterways, as well as communication networks must receive due attention.

As BIMSTEC Transport Infrastructure Logistics Study (BTILS) prepared by Asian Development Bank (ADB) reinforces the shared belief that the sub-region holds enormous potential; working together towards shared responsibility and forge strong partnership to seize opportunities and capitalise on the enormous potential of BIMSTEC is crucial. Moreover, an agreement on BIMSTEC FTA can unlock huge potential of intra-regional trade for economic integration, provided it is implemented fully and effectively in a timely manner. The region has unmatched natural resources and vast complementarities with enormous possibilities of economic expansion for the common benefit of people.

Collaborative partnership among BIMSTEC members will be required for the development, utilisation and distribution of these resources for mutual benefit. Hence, a collective vision is contingent upon how successfully countries could tap into energy resources of this region for accelerated growth and ensure people's mobility through physical connectivity. If economic development is considered as human body, then, energy is the heart and connectivity is the artery of that development. As the region is rich in natural resources, useful partnerships among BIMSTEC members will be necessary for the development, utilisation and distribution of these resources that will in turn assure economic development for all.

HE Mr Sumith Nakandala,
Secretary General, BIMSTEC



On 13 September 2014, Honourable Prime Minister of Bangladesh Sheikh Hasina officially inaugurated the BIMSTEC Secretariat at Dhaka. The year 2015 is going to be vital for BIMSTEC. However, there has been difficulty for last some years in finalising BIMSTEC FTA. This delay attributed to Sri Lanka already completing the submission of schedule for tariff concessions in November 2014 and is waiting now for dates from the Thailand government to convene the 20th Trade Negotiation Committee that will be followed by BIMSTEC ministerial meeting to be held in Dhaka. The Secretariat is hopeful and eager that the FTA will be finalised this year. Meanwhile, a new government has taken office in Sri Lanka. The new President of Sri Lanka is a friend of BIMSTEC which could be a positive addition to the process.

There is no lack of political will among BIMSTEC leaders in advancing the organisation. But how far this commitment alone can take BIMSTEC remains a question. The Asia-Pacific region has about 150 trade agreements some of which for last 5-10 years have not really worked. We need to understand why these have not worked, learn lessons from these failures and move ahead. Another crucial issue is leadership. No regional organisation has proceeded without efficient leadership, for example, the leadership of President Suharto of Indonesia for advancing the ASEAN and the Franco-German combined leadership for

the EU process. BIMSTEC also needs such a dynamic leadership. Honourable Prime Minister of Bangladesh Sheikh Hasina has expressed strong commitment during her official inauguration of BIMSTEC Secretariat in September 2014. Bangladesh is rightly placed to assume a leadership role in BIMSTEC. Other developments occurring in the region should be carefully appraised. The ASEAN is going to declare the “ASEAN Economic Community” in 2015; BIMSTEC has two members from ASEAN. Another is the ASEAN Regional Comprehensive Economic Partnership (ARCEP) or ASEAN+6. One member of BIMSTEC is a party there; all ARCEP members have FTAs with ASEAN. Moreover, the UNESCAP, has begun a process of market integration in the Asia-Pacific.

BIMSTEC lags behind in regional cooperation and explore its possible time and space in those regional arrangements maintaining our collective identities. The Bay of Bengal has a long standing legacy of promoting regional integration evident in spreading cultures, civilisations, and faiths in neighbouring areas since prehistoric times led by people. Crossing this bay is the most vital strength BIMSTEC has. Through BIMSTEC, members are rediscovering their past, common cultural heritage and there can be no question on the organisation’s success in the integration endeavour if we focus on what we really need to do. BIMSTEC has a number of friends like the Asian Development Bank (ADB), a longtime development partner. It has component of technical assistance attached to the BIMSTEC Secretariat, and those resources should very soon be tapped into. All BIMSTEC nations are members of both ADB and UNESCAP who have instrumentalities dedicated at promoting regional integration.

There must be passion for regional cooperation and integration which means BIMSTEC members must understand what could be gained from these, both in terms of market and economic integration. Prominent economist Richard Baldwin said, “Europe’s founding fathers did not start with grand designs. No one in the 1940s, for example, would have thought that starting with coal and steel was the obvious way forward. Europe’s founders exploited windows of opportunity, situations where the alignment of national interests permitted the establishment of long-lasting institutions that in turn fostered and eventually led to adoption of deeper economic integration. The vast tracts of spontaneous cooperation in Asia constitute one such window of opportunity for East Asian leaders.” When regional cooperation is considered, we all must be non-parochial in all our dealings albeit regional integration has several costs/negativities, e.g., sustainability which must be kept in mind. BIMSTEC is rightly poised to that end. Bangladesh government has been providing commendable support to the BIMSTEC Secretariat in Dhaka.

Mr Abul Hassan Mahmud Ali, MP

Honourable Minister

Ministry of Foreign Affairs

Government of the People’s Republic of Bangladesh

Bangladesh attaches great importance to regional cooperation — a vision also reflected in the election manifesto of the present government. Regional cooperation for South Asia was envisaged immediately after Bangladesh’s liberation war in 1971 by the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman on 6 February 1972 at a banquet hosted in Kolkata by then Indian Prime Minister Srimati Indira Gandhi in his honour. In that historic moment Bangabandhu stressed the importance of regional cooperation to ensure peace, stability and enhance the standard of living of the people in South Asia. Bangabandhu’s vision thus laid the foundation for regional cooperation in South Asia. Bangladesh is a constructive player in enhancing regional cooperation-within the relevant processes of BIMSTEC, SAARC and BCIM-EC. As a founding member, Bangladesh is deeply committed to BIMSTEC and its firm commitment to the BIMSTEC process was further demonstrated when members decided the Secretariat would be established in Dhaka. Subsequently, following the signing of its ‘Memorandum of Association’ in March 2014 at the 3rd Summit in Myanmar, the Secretariat started functioning in Dhaka in July 2014. With the BIMSTEC Secretariat in place, the organisation will receive added momentum in its forward movement through monitoring and follow up of important decisions, which was lacking for a long time.



BIMSTEC acts as a bridge linking the two fastest growing regions of the world. Bangladesh has the geostrategic advantage of being situated at the junction between South and Southeast Asia. To complement the notable economic growth and social progress achieved under the leadership of the Honourable Prime Minister Sheikh Hasina, Bangladesh needs to translate its geo-strategic location into economic opportunities and tangible outcomes. BIMSTEC as a link between the two regions can help in achieving that goal. One of Bangladesh's prime objectives under BIMSTEC is to enhance trade and investment. Hence, the BIMSTEC Free Trade Area (FTA) to promote trade and investment is of crucial importance. Bangladesh is going to host the 6th BIMSTEC Trade and Economic Ministerial Meeting by mid-2015, wherein it is expecting the signing of four important instruments related to BIMSTEC-FTA. Negotiations on investment and services be fast-tracked to run parallel to those on trade in goods.

The members of BIMSTEC are showing impressive trend of economic growth. To sustain it, we need to secure stable and affordable energy supply through exploration and utilisation of the regional energy resource potentials-which would remain a core priority for BIMSTEC. Bangladesh is going to host a Task Force Meeting on Energy in Dhaka in early February 2015, which is expected to finalise the MoU on BIMSTEC Energy and Grid Interconnection. Another area of cooperation where Bangladesh stands to gain tremendously is Connectivity which is important to facilitate trade, investment, tourism and people-to-people contacts among the member states. The year 2015 will be a game changer in respect of BIMSTEC as an organisation. For that, the newly established Secretariat needs to work very hard to collate the important decisions taken in past, effectively follow-up the implementation process, chart an action plan for the future and come up with innovative ideas and proposals.



Working Session I

Dr Mohammed Farashuddin, former Governor, Bangladesh Bank, chaired the first working session where papers were presented by **Dr Mahfuz Kabir**, Senior Research Fellow, BIISS on 'Trade, Investment and Poverty Alleviation', **Dr Ijaz Hossain**, Professor, Department of Chemical Engineering, BUET on 'Energy and Technology', and Dr AK Enamul Haque, Professor, Department of Economics, East West University paper on 'Agriculture and Fisheries'.

Dr. Mahfuz Kabir

Senior Research Fellow, BISS

Intra-BIMSTEC trade is hovering at nearly 6 per cent while major intra-bloc importers are India, Thailand and Bangladesh and exporters are India, Thailand and Myanmar, respectively. India is the largest trading partner for Bangladesh. Intra-BIMSTEC exports show Heckscher-Ohlin-Samuelson pattern while imports demonstrate intra-industry trade in the long run. In case of First Track products, non-LDCs would open up their markets for the products of LDCs in one year and LDCs will do the same for non-LDCs in five years. For Normal Track products, non-LDCs would open up their market for the products of LDCs in 3-years and the LDCs would follow 10-years schedule in order to open up their markets for the products of non-LDCs. LDC members would enjoy “special and differential treatment”.



A BIMSTEC Trade Negotiating Committee (TNC) has been formed to conduct negotiations on trade in goods, trade in services and investment. There were about 19 meetings on BIMSTEC-FTA and the meetings have decided to keep their respective negative lists at 23 per cent of their tariff line of products. Net trade effect of BIMSTEC FTA will not be much significant for member states if removal of tariff barriers remains its primary objective. Trading Arrangements in the Asia-Pacific is ‘Spaghetti-Bowl’ type. The major FDI stock sectors are banking, textile and apparel and pharmaceuticals and chemicals. FDI nearly doubled in the case of India between 2010 and 2014, and FDI from Sri Lanka and Thailand are concentrated in few sectors.

Poverty is a big problem for member states but Bangladesh is one of the most successful countries to show success in rapid poverty alleviation. As poverty alleviation remains high on the agenda, a region-wide focus on poverty alleviation would be required for BIMSTEC members. Hence, previously adopted Kathmandu Declaration and BIMSTEC Poverty Plan of Action (PPA) are two important progressions in this regard. BIMSTEC Poverty Alleviation Centre would be set up in Bangladesh which would play a key role in carrying out research and will provide useful guidance and inputs to policymakers and practitioners of member states. Agreement on Trade in Goods and Trade in Services may be concluded by the next round of TNG meeting. More preparation is required for meeting the Rules of Origin requirements as Bangladesh is likely to graduate from LDC to a developing country.

Reducing trade cost through better hard and soft connectivity, and expediting other trade facilitation measures as well as diversifying the investment sectors from current heavy concentration will be necessary. More engagement with the regional value chain has to be strengthened as per the Sixth Five-Year Plan and Outline Perspective Plan. Trade facilitation must be promoted to reduce trade cost and achieve trade potential. Poverty alleviation is an enormous task for India and Bangladesh and concerted effort is required for that goal. Negative list should be set keeping in mind the other FTAs like SAFTA and ASEAN FTA where BIMSTEC members are also members. Otherwise, BIMSTEC FTA will not work.

Dr Ijaz Hossain

*Professor, Department of Chemical Engineering
Bangladesh University of Engineering and Technology (BUET)*

Energy sector in BIMSTEC is led by Myanmar and important projects in this sector are the development of regional hydrocarbon and hydropower, energy infrastructure (natural gas), energy information centre and energy trading network between members. Myanmar already hosted five Expert Group Meetings for the Energy Sector. India hosted the 1st Ministerial Meeting on Energy on 4 October 2005 in which a joint statement was made and an action plan was adopted. The trans-BIMSTEC Gas Pipeline Project was identified. Thailand conducted Feasibility Study for trans-BIMSTEC Gas Pipeline Project and organised a Task Force meeting in Bangkok, Thailand in March 2001 and pre-feasibility study was completed in late 2004. A Task Force meeting to decide Terms of Reference for the study on Trans



BIMSTEC Gas Pipeline(s) was held in Bangkok, Thailand on 28-29 June 2006 together with a Workshop on Petroleum Reserves in BIMSTEC Region. On power, the Trans-BIMSTEC Power Exchange and Development Project were identified. Thailand was assigned to coordinate a Task Force.

BIMSTEC member countries participated in a number of new and renewable sources energy sector cooperation activities in accordance with the Declaration of First BIMSTEC Energy Ministerial Meeting and Plan of Action for Energy Cooperation in BIMSTEC which includes: development of new and renewable sources, small hydro project, rice husk co-generation, standard and tasting. There are good prospects of connecting Nepal, Bangladesh, Myanmar and Thailand through regional cooperation in energy. As Bay of Bengal is a hydrocarbon rich area, it can be a zone of cooperation. There remains quite a lot to explore and exploit. Meaningful cooperation between nations must be based on economic considerations and national interests rather than on goodwill alone.

Although there are ample opportunities for regional cooperation since there are a number of offshore oil and gas blocks left for regional cooperation in energy sector, opportunities for exploration in hydropower, training and capacity building in field of renewable energy. While installing a new technology, it is necessary to take the receiver end into consideration as well. The receiving country must be able to operate it, modify it and replicate it. However, due to poor understanding of technology in developing countries in most cases the transfer failed. The problems were: departure of foreign operators, incomplete transfer as well as social and environmental problems. The affordability, accessibility and appropriateness of the technology transferred should also be considered.

Dr A K Enamul Haque,
Professor, Department of Economics
East West University



Agriculture sector is led by Myanmar and fisheries sector is led by Thailand among BIMSTEC members. Bangladesh has scope to increase its export volume to other member states as Bangladesh is absent from top five export countries of the BIMSTEC. Bangladesh's major problems in the agriculture sector are: scarcity of lands, rapid reduction of cultivable lands, and limited yield because of low adaptive capacity of farmers, low level of education, input supply constraints and seasonal disaster risks. The country's priority in this sector should be to build competitive advantage in sectors/sub sectors where Bangladesh will do well and allow more agricultural trade from BIMSTEC countries. South Asia is the least integrated region in the world despite attempts to liberalise trade.

Recent studies show slow trade gain due to low interest for initiating trade facilitation measures, customs efficiency, border procedures, transport quality and cost. Moreover, research shows that a 1 per cent reduction in trade cost will increase agricultural trade by a little more than 1 per cent. Trade costs include transportation costs (both freight costs and time costs)/international connectivity, policy barriers (tariffs and nontariff barriers), information costs/search costs, contract enforcement costs, costs associated with the use of different currencies, legal and regulatory costs, and local distribution costs (wholesale and retail).

Some challenges for Bangladesh-BIMSTEC trade in agriculture and fisheries are: difficult transportation linkage, complex custom system, difference in standards, difficult rules of engagement of fishing in the Bay of Bengal, smuggling of agricultural and livestock products, protection against diseases in plants, livestock and fisheries, and technological backwardness in storage and transportation of agricultural products. Some ways to enhance cooperation in agriculture and fisheries are: cooperation in banking sectors, cooperation for exchange of agricultural labours, agreement for transfer of seed germ-plasm, agreement for exchange of technologies through investment – fish, livestock and poultry, cooperation in movement of vehicles. Simplification of custom process is required using one-point solution for both countries, joint custom inspection, joint quarantine cell, vehicle movement up to delivery points, investment agreement in agricultural /fishing technologies, promoting joint venture in fisheries and poultry production, and promoting joint venture in fruits trade.



Open Discussion

- After 11 years of signing the Framework Agreement of BIMSTEC BFTA, the members could not gain much from that. BIMSTEC has fourteen priority areas with less achievement. Practical areas for way forward regarding the implementation of Plan of Actions of BIMSTEC is needed.
- The aims and objectives of both SAARC and BIMSTEC are quite similar and there are possibilities of duplication of their functions. SAARC Secretary General has various bindings but BIMSTEC Secretary General has more scope and mandate to undertake his own priorities. Small areas should be started with to move forward to bigger issues. The biggest challenge is the insignificant amount of intra-regional trade, so member states should concentrate on converting the informal trades to formal trade.
- The newly established BIMSTEC Secretariat in Dhaka brought lots of possibilities and potentials for Bangladesh. The name 'BIMSTEC' is given by Bangladesh. However, to reap maximum benefit from the regional grouping, making it more workable by taking the BIMSTEC issue to the highest authority of the country is crucial.
- Bangladesh has the legitimate right to lead the BIMSTEC as the country is located in the centre position of the Bay of Bengal region. Northeastern India and northern part of Myanmar are very important for Bangladesh. The entire region is lagging behind, so we need to work hard to make BIMSTEC a successful regional grouping.
- Bangladesh in last few decades has developed its economy and the private sector is doing a very good job as it is given chance to work simultaneously with the government. Like developed countries, the countries of this region have done an excellent work in regional cooperation. As Bangladesh has limited land with rapid rising population and fast growth of urbanisation, our agricultural land is reducing. Although Bangladesh has done well in agricultural sector, further initiatives are required for the future about meeting the demands of large number of people. Bangladesh mainly produces rice but we have to expand our production basket. We also need to focus on reducing the wastages of agricultural goods while transportation. Bangladesh needs to invent its own technology and industry; to that end, we need to focus on our energy sector. Through BIMSTEC Bangladesh and other countries should enhance energy cooperation. In sum, Bangladesh should give more concentration in education, agriculture and energy sector.
- The main stumbling block of SAARC is the India-Pakistan rivalry. Such problems are not seen among BIMSTEC countries. Moreover, India will be very cooperative towards BIMSTEC as it has interests on it. There is a need to focus in whole on India's market, focus on gas, hydroelectricity and energy cooperation. In Myanmar, there are huge lands available and Bangladesh can concentrate on utilising those resources.
- There is nearly seven per cent tax on importation of learned materials. Bangladesh is not party to the Florence Agreement that allows free flow of Education, Scientific and Cultural materials. Bangladesh should to be a party to the agreement because the best books from every language

get translated in English. Thus, there should be initiative to ensure free flow of books by removing the tax on import of knowledge materials.

- There is a necessity of regional efforts on energy and noted there are a number of bilateral efforts. As countries make progress in forums like BIMSTEC and other regional initiatives, it can thus incorporate related efforts in existing mechanism or build on them. Even though there are some other organisations in the region like SAARC, ASEAN, BCIM-EC, each organisation is a different combination of countries and therefore they can have additional value.
- There has been several misconceptions about BIMSTEC that cannot be resolved until one looks deeply into the issue. Peoples of South, East and Southeast Asia have never looked towards or into near neighbours closely. One group thinks of BIMSTEC as countries of this organisation do not have political problems, which is a plus point and it is possible to build on this. Services should be included as a sector because in this sector all countries can cooperate apart from trade. There are great opportunities in service sector in countries like Myanmar, India and Thailand. The Secretary General of BIMSTEC should take note of it and to try to find out ways to ensure easy access of services into each country. For example, architectural service from Bangladesh can go to India, Myanmar or other member countries to build structures. This might energise the BIMSTEC to a cooperative sector.
- BIMSTEC countries are a bit concerned about the negative list which is far bigger than SAFTA process. BIMSTEC is trying to progress on service and investment issues. Integration will not be successful until we have connectivity. Therefore, projects of ADB on how to connect the region among which some projects are already completed, some are in the middle way and some are waiting for funding which would help in integration.
- BIMSTEC FTA is completely different from other FTAs. It covers tariff goods, tariff services and also investment. By now, most of the documents on trade in goods have been finalised. After the documents are finalised, negotiations on investment would start.

Dr Mohammed Farashuddin

Former Governor, Bangladesh Bank

To achieve any great things one requires likeness of mind, mutuality of interest and goodwill, and sometimes political will. The tendency of politicians to subordinate economic interests is there for too long. In recent times, in Bangladesh, economic interests are gradually getting prominence. Maintenance of equipment is an acute problem in Bangladesh. Since Bangladesh has done poorly in agriculture and fisheries, BIMSTEC could be the organisation that could provide the way forward. BIMSTEC has started on a brighter note and in the last two years it has done very well. The group seems to be uniform in thoughts and complementarity rather than competitiveness and has attracted the attention of three economic giants name India, China and Japan. BIMSTEC would be able to replace the external assistance by trade mechanism.





Working Session II

Mr Md Shahidul Haque, Foreign Secretary, Government of Bangladesh, chaired this session. Here, paper presenters were **Dr Ainun Nishat**, Professor Emeritus, BRAC University, **Mr Shahab Enam Khan**, Associate Professor and Chair, Department of International Relations, Jahangirnagar University, **Mr M Ashique Rahman**, Research Fellow, BIISS, **Dr Sayed Abdul Hamid**, Associate Professor, Institute of Health Economics, University of Dhaka and **Mr Abdul Motaleb Sarker**, Director General, (SAARC and BIMSTEC), Ministry of Foreign Affairs, Bangladesh.

Dr Ainun Nishat
Professor Emeritus
BRAC University



BIMSTEC's focal areas are expanding and priority sectors being added. Physical location of its members, great potential for socioeconomic progress, richness in natural and human resource bases provide a strong ground for mutually beneficial cooperation. Trade and investment related sectors receive greater attention in BIMSTEC, but environmental concerns also demand more attention. BIMSTEC has no sectoral committee for environment. There are critical issues like sustainable development: adoption of Agenda 21, setting up of 8 Millennium Development Goals (MDGs), finalisation of the Johannesburg Plan of Implementation in 2002, adoption of the document "The Future We Want", etc. In 2014, a set of 17 Sustainable Development Goals (SDGs) emphasising on equity was finalised to be adopted in 2015. Poverty alleviation is an emerging agenda for BIMSTEC. Water is a key resource in BIMSTEC nations but the region has both shortage and excess of water, i.e., drought and floods. Reservoirs can store vast amount of water received from monsoon rainfall to deal effectively with both crises.

Development of water resources must be environmentally and socially sustainable. Among means for communications, waterways should be used more as they are the cheapest, most convenient and environmentally sound one. In improvement of connectivity, intermodal transportation may be prioritised. The proposed deep seaport of Bangladesh in Sonadia/Matarbarai may be linked through railway with the whole country. All BIMSTEC states have their own laws containing Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Quality Standards (EQS) that may be harmonised; for developing interlinked energy grid, environmental issues must be included at the planning stage of proposals through appropriate EIA and SIA. On disaster management, all members of BIMSTEC are vulnerable to various natural disasters; India leads cooperation in this sector.

The BIMSTEC Centre on Weather and Climate has been set up in Delhi in 2004 can provide and share remote sensing data of those calamities. Meteorological modelling could be used for long term forecasts in drought management. Neighbours may assist an affected country immediately after disaster in search and rescue and also post-disaster rehabilitation. Cooperation in climate change has been a vital agenda in BIMSTEC evident in emphasising it in all three summits. The Intergovernmental Panel on Climate Change

(IPCC) Reports term South and Southeast Asia as two regions most vulnerable to global climate change. Therefore, adaptation to adverse impacts of climate should be prioritised. There is a strong need for collaboration in research and development of resilient varieties of cultivars and cropping patterns, developing comprehensive national strategies and action plans supported by regional and global technical financial services, mainstreaming of climate change in national sustainable development policies, and experience sharing among BIMSTEC members to prepare all-inclusive plans by sharing best practices.

Ongoing climate change negotiations worldwide are another area of cooperation in this regard. BIMSTEC members may form a subgroup under the G-77 and China to exchange ideas and explore mechanisms to maximise benefits for the region from different global forums. Collaboration among SAARC, ASEAN and BIMSTEC to found common social and environmental standards will boost economic cooperation. There is an urgent need for setting up of mechanism in BIMSTEC for greater cooperation in disaster management, holding prior consultations by all members before joining global negotiations, harmonisation of standards for environmental and social impacts and larger coordination among BIMSTEC/SAARC/BCIM-EC on an urgent basis concerning global climate change talks.

Dr Syed Abdul Hamid

*Associate Professor, Institute of Health Economics
University of Dhaka*

Illicit drugs use impact in innumerable ways including: emergence of new or enhanced health problems, lowering of worker productivity and spread of diseases like HIV/AIDS, TB, involvement of youth in drug distribution, skewing of economies to drug production and money laundering, Interpersonal crime and community violence and disintegration of social institutions. According to World Bank report (1993), illicit drug users in developing countries “typically fall within the age group of 15–44, and most users dies in mid-thirties”. Illicit drug use and addiction among female population worldwide are still far less widespread than among male population, and cautioned that in the long run there may be serious crises of Male Labour Force.



There is nothing about reducing illicit drug use or production in MDGs and the issue of illicit drug use is much neglected in international policy debate. Bangladesh has been showing an increasing trend in illicit drug use like yaba (1.15 per cent in 2010, 10.33 per cent in 2013), ganja (19.42 per cent in 2010, 27.20 per cent in 2013), phensidyl (3.58 per cent in 2010 , 4.26 per cent in 2013) etc. Use of heroin, though showing a downward trend (35.25 per cent in 2010, 30.70 per cent in 2013) is still a matter of grave concern. Myanmar is the major source of supply of yaba while India is the major source of phensidyl in Bangladesh.

Public health is one of the 14 sectors of BIMSTEC that is led by Thailand and it involves providing legal protection and developing agreement to establish a network of national centers of excellence in traditional medication for helping the impoverished. Illicit drug use and supply should be immediately included in the public health sector of BIMSTEC and Bangladesh should vigorously raise the issue in the next BIMSTEC meeting to stop supply and/or transit illicit drug among BIMSTEC countries.

Mr Shahab Enam Khan

*Associate Professor and Chair
Department of International Relations
Jahangirnagar University*

The Concept Paper on Cultural Industries known as the Paro Initiative was adopted at the first BIMSTEC ministerial meeting on culture held in Paro, Bhutan from 23-25 May 2006. The third BIMSTEC Summit held in Nay Pyi Taw on 04 March 2014 recognised the importance of increased cultural cooperation in promoting greater well-being for the region. The signing of the memorandum of understanding for founding the BIMSTEC Cultural Industries Commission (BCIC) and the BIMSTEC Cultural Industries Observatory (BCIO) are indeed good steps. Cultural cooperation cannot prosper without trade, communications, and security, social capitals like education, labour, and access to resources.



In ASEAN, intra- and extra-regional trade are 25 and 75 per cent respectively while these are 5 and 95 per cent respectively in South Asia. The Bangladesh-Northeast India-Myanmar-Thailand connectivity is Bangladesh's prime interest. This connectivity would ensue from better market access for goods, services and energy, joint exploration of natural resources, investment in infrastructure development, closer people-to-people contacts, etc. Non-tariff barriers (NTBs) are significant obstacles which must be properly addressed and removed. For cultural communications, there must be sustainable knowledge and innovations systems, research and publication of shared history, enhanced cultural exchanges; universities, think-tanks, collaboration in media could help a lot.

Promoting technical professional education, forming common media platform, skill development through adding informal and ICT education into the mainstream system would be useful. Capacity building for the youth and entrepreneurs are necessary. Their needs and issues must be addressed which otherwise could negatively impact economies and politics. For ensuring more security and stability for the region, there should be more trade, people-to-people contacts, confidence building measures, cooperation in security and maritime affairs; strategic partnerships could be formed for boosting interdependency, assuring sustainable infrastructure and helpful business conditions. Ensuring equal distribution of resources, gender equality, human development, collective efforts to establish pro-poor, pro-people trade and investment regimes, cost-effective ICT and telecommunications to reduce the digital gap and promote more people-to-people contacts could substantially help build social capital in this region.

Informal norms and indigenous knowledge should be valued and institutional arrangements like the BCIC and BCIO made more effective and empowered. BIMSTEC should not make itself a Westphalian output of state supremacy continuing the colonial baggage. Its members must learn from their history of cooperation. Yet, what BIMSTEC can offer remains to be seen — rational choice institutionalism or historical intuitionism. Something new may not be possible unless economic priorities are mixed with aspirations of the people in this region. An institution enabling people to travel from one end to the other of the Silk Route that made Asia the cradle for modernity in the past is most desired.

Mr M Ashique Rahman
Research Fellow, BIIS



CTTC has been adopted as an area of cooperation in 2004 following the 1st BIMSTEC summit and since then it has made some progress although there remains scope for enhanced cooperation in this area. Despite the fact that there is limited or no direct involvement of countries in this region with international terrorist organisations like al-Qaeda, there are domestic and regional extremist groups with Thailand and India as most affected by these groups. There also remain threats of transnational organised crimes like illegal trade, trafficking of goods, drugs, narcotic, arms, smuggling of currencies and counterfeiting, etc. As many as 141 districts of the 16 states in India are affected by left-wing extremism in India; out of which 48 districts are highly affected, 47 are moderately affected and 46 are marginally affected.

Terrorist incidents in member countries like Bangladesh, India, Nepal and Thailand have shown an upward trend in 2013 with Myanmar and Sri Lanka remaining relatively stable. In addition, poverty and inequality in this region fosters illegal migration and the Golden Triangle of poppy production causes massive movements of narcotic and narcotic drugs. The initiatives undertaken in the related sector so far includes: first, a Joint Working Group (JWG) involving four sub-groups each led by a member country with intelligence sharing by Sri Lanka, combating financing of Terrorism by Thailand, prevention of illicit trafficking in narcotic drugs, psychotropic substances and precursor chemicals by Myanmar and legal and law enforcement issues by India. Overall, India is entrusted with the sector of counter terrorism and transnational crime. Second, a convention titled "BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organised Crime and Illicit Drug Trafficking" has been adopted in 2009 which has been ratified only by India and Bangladesh.

JWG has held six meetings and the sixth meeting that was held on Sri Lanka on 7-8 May 2013 approved the final text of the “BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters”, recommended inclusion of “Human Trafficking and Illegal Migration” on the Agenda of the 7th JWG-CTTC meeting and formation of a new Sub Group (SG) on this and also approved the proposal to start drafting and negotiating on “BIMSTEC Treaty on Extradition”. Bangladesh has been active in the areas of CTTC and has made exemplary progress to fulfill its commitments to all bilateral, regional, and international instruments. While following a ‘zero-tolerance’ policy towards terrorism, Bangladesh government formed a 17-member National Committee on Militancy Resistance and Prevention’ as well as holds a robust legal framework including the Anti-Terrorism Act 2012, the Money Laundering Prevention Act 2012 and the Children Act 2013.

As an immediate way forward, CTTC convention should be enforced and all the decisions and measures agreed in the subgroups and JWG-CTTC should be immediately implemented. All are members of either SAARC or ASEAN and their terrorism related conventions as well as some countries are yet to complete the internal process for ratification. In the medium to long term, there should be increased policy coordination and initiatives to address the root causes like economic, social and political inequality and to address these BIMSTEC countries can draw up suitable national policies and programmes enhancing inclusiveness and opportunities using tools like education and training, employment etc. There should be regional solutions to regional problems and informal approach rather than a bureaucratic one could foster the cooperation. Further development of regional institutions and ensuring a constructive role of Track II networks are also imperative.

Mr Abdul Motaleb Sarker

*Director General (SAARC & BIMSTEC)
Ministry of Foreign Affairs*



Regional cooperation promotes sustainable regional peace and stability. And the positive impacts can be witnessed in a variety of sectors or fields. In this regard, Bangladesh has certain advantages, e.g., it is a bridge between South and Southeast Asia with easy access to sea, reasonably good sea, air and land connectivity with regional and global countries. Bangladesh has a growing middle class, a large educated semi-skilled and skilled manpower resource base, and a strong, vibrant civil society. The country has maintained an impressive 6 per cent GDP growth rate over the last decade. Yet, it needs to ensure security, more FDIs, explore new markets and expand the existing ones.

Only SAARC and BIMSTEC are organisations while others are either regional initiatives or platforms. ASEAN+6 (ARCEP), APEC, IORA, ASEAN Regional Forum (ARF) and BCIM-EC emphasise a particular subject, e.g., economy or security. BIMSTEC presently has 14 identified areas of cooperation. Among its notable achievements, are BIMSTEC Framework Agreement on FTA (2004), cooperation in poverty alleviation, trade and investment, food security, agriculture, energy, connectivity, exchange of ideas and sharing of knowledge among different professional groups in the region, establishment of regional centres, commissions, observatories dealing with weather and climate, energy, poverty, culture, etc.

BIMSTEC has good prospects in these areas if members broaden their cooperation in areas like combating trans-border crimes, drug and psychotropic substance trafficking, public health. In BIMSTEC, India and Thailand are resource rich, big market nations with great scope for expansion of regional trade and investment. BIMSTEC FTA is expected by 2015. Nonetheless, there are challenges; the role, responsibility and mandate of the Secretary Generals whether it is SAARC or ASEAN are quite complex. There is the question of resource availability when needed. Members have diverse interests. Connectivity is not fully developed yet. Poverty, climate change, frequent natural disasters, low intraregional trade and investment are some potent challenges. To overcome these and meet the goals BIMSTEC secretariat at Dhaka be made fully operational. Members must work together on sectoral focal points.

The proposed BIMSTEC FTA is expected to open up a new horizon of cooperation in this region. Cooperation in combating trans-border crimes, drug and psychotropic substance and finalisation of

BIMSTEC Transport Infrastructure and Logistics Study (BTILS) recommendation for infrastructure development projects remain essential for all members. In this regard, sincere political will of members is of utmost importance. Regional cooperation is a long term process and development is achieved gradually. Therefore, gains from regional cooperation should not be quantified at any point of time.



Open Discussion

- BIMSTEC Secretariat is hoping to establish a data bank and library and urged the minister and organizers about whether there could be any fund channeled for such purpose so that this could help the organization to progress further.
- There must be some areas of convergence among BIMSTEC countries since generally interest of countries are not convergent.
- Beyond illicit drug use there are many are issues of public health BIMSTEC which could have been covered in the presentation. The presenter needs to clarify why he is considering for cooperation on the issues of public health because in the presentation only the issue of illicit drugs was discussed. There are other issues in the huge discourse of public health that are emerging like HIV/AIDS, etc.
- Thailand and Myanmar as crucial for both South Asian and South East Asian region in cultural cooperation and people-to-people contact. How Bangladesh can expand its relations in sectors like culture with Thailand and Myanmar should be identified and properly discussed.
- There are two clusters of countries in the world. Currently, China is number-one polluter, US is second, India is third and all 28 countries of European Union together is number four. There is the BASIC group comprised of China, India, Brazil and South Africa, the group of likeminded developing countries where there are Sri Lanka and Pakistan, and other groups like the Cartagena group. On mitigation, there is difference of opinion; some countries want historical share of responsibility while other wants to share mutually. But on adaptation, there is no difference of opinion among countries. On technology transfer, India takes active part. The whole structure of negotiation is complex and two new agendas of agriculture and trans-boundary water is coming up. Loss and damage is a big emerging issue which is beyond adaptation. There are differences but it is time to keep differences aside and issues on which we have common position countries can move forward. All documents of meeting should be compiled and collated. On behalf of BIMSTEC, it should be identified that which organisations are carrying out research on the subject and create a link them and fill up the gap. If BIMSTEC wants to define public health with narcotics and in this case, if necessary, the title should be changed, not the content.

- It is not necessary that the Secretariat has to do all the research related to BIMSTEC. Rather, it is necessary to create collaboration among organisations that work on the issue and create a repository to make it more efficient. There is shared optimism on BIMSTEC. Thus, it is time to blend the look East, look West, Oriental and Indic civilisation and this is the beauty of the whole integration process.
- There are lot more issue in public health to be covered like HIV and noted that HIV is related to drug issues. There is difference between public and private health and the issue is transmission. However, illicit drug use is significant concern where BIMSTEC should have a new focus.
- During the Bangkok summit, under the public health sector in BIMSTEC, initiatives have been taken to expand areas relating to this. Public health sector is led by Thailand and the government would work on what to do in this sector.

Mr Md Shahidul Haque

Foreign Secretary

Government of Bangladesh



Since the establishment of BIMSTEC in 1997, activities related to this were quite intense till 2005 followed by a period of stagnancy. The reasoning includes both political and economic ones that put the brake in speed. With the Nay Pyi Taw Summit, an urge was observed among the leaders of member countries to move faster and, therefore, the initiative was taken to find out where Bangladesh stands in terms of various documents. MoFA will continue to add dynamism to the process. A preparatory meeting has been scheduled on 3rd and 4th March 2015 when background paper would be developed followed by a senior officials meeting in Kathmandu in April. As there is Secretariat along with agreements in place and consultations with member countries are going on, it is high time to move forward. However, whether there is a 'natural BIMSTEC' or it has to be 'built' has to be looked into deeply. There is one in geo-strategic possibly also in geo-political sense; yet there is none with regard to integrated market let it be a labour, trade or business market. This has to be 'created'. Culture is probably the strongest area of cooperation.

While opining on the significance of BIMSTEC in spite of the presence of SAARC, the reasons lie in geo-strategy and geo-politics. With regard to Asia-Pacific a number of developments would affect the BIMSTEC initiative: first, the Japanese proposal, second, the Chinese proposal to link Asia-Pacific, third, the issue of BRICS and AIIB bank and finally, some members in BIMSTEC are part of financial and political institutions that are in process of becoming a reality. Therefore, what needs to be done is to find out whether there is still a rationale to continue to put up BIMSTEC and if the significance does exist how this rationale of 1997 look like now in 2015. And how the BIMSTEC could have links with other regional bodies that countries are considering. Therefore, whether BIMSTEC is there or needs to be built lies somewhere in-between the two. There are both convergences and divergences which would also be seen in the senior officials meeting, however, there is full commitment on building BIMSTEC at the political level. It is the architecture that needs to be built. Notably, countries would not only have to confront soft issues but also hard issues which would start off in March 2015.

The most striking feature of BIMSTEC is FTA as some members do not have experience of negotiating any FTA. Now-a-days, a country cannot integrate with another economy without an FTA and thus, there are 86 globally available. Bangladesh has hardly any experience in this regard. BIMSTEC would provide us with the strength of negotiating an FTA within a regional context which would possibly give Bangladesh the confidence to negotiate further FTAs in future, like a Trans-Pacific partnership issue, an arrangement that reshape the business, environment, etc. Once the TPPA comes into force, the whole calculation would take a new shape giving rise to newer equations with both challenges and opportunities.



Concluding Session

Mr Md Shahriar Alam, MP

Honourable State Minister

Ministry of Foreign Affairs

Government of the People's Republic of Bangladesh

The present Government of Bangladesh under the leadership of Honourable Prime Minister Sheikh Hasina has put special emphasis on fostering regional cooperation after assuming office for the consecutive second term in January 2014. One of the ideas behind the emphasis was to make regionalism meaningful and productive to attain socio-economic development for our people. BIMSTEC is a region of 1.57 billion people, with a combined market size of 793 billion US dollars, while the combined GDP of the BIMSTEC Member States is 2.77 trillion US dollars. Not only the region is a huge market for goods and services with its formidable population and fast growing economies, but it also holds a mega potential for hydro-power standing at around 300 GigaWatts. The region also has the geographical advantage to connect itself to contiguous areas including China, the ASEAN, Central Asia, and West Asia and beyond using multimodal physical connectivity through road-rail-air and shipping.



Enhanced cooperation within the BIMSTEC region can open up opportunities for Bangladesh, particularly in the areas of: a) greater market access by overcoming tariff, non-tariff, para-tariff barriers; and attracting regional investment; b) secure much needed energy supply from regional sources through hydro-power projects and grid interconnectivity; and c) boost physical connectivity network to ensure easier movement of goods and people. At the same time, the organization provides the Member States an opportunity to collectively address many of the emerging challenges we have to deal with today including, inter alia, climate change, terrorism and transnational crimes, which are not confined within the limits of the national boundaries.

BIMSTEC Secretariat established and the required unity of minds and political commitment, the organisation will move ahead at a faster pace. The new BIMSTEC Secretariat, as the permanent institutional mechanism to monitor and follow-up the activities of BIMSTEC, will be able to effectively

engage itself to take forward the organisation's agenda in the coming days. Bangladesh Government has firm commitment and support to BIMSTEC. It will be able to meet our expectations in the coming days to attain its cherished goals to ensure better life and livelihood for the peoples of this region.

Major General A K M Abdur Rahman, ndc, psc
Director General, BISS

All the deliberations, valuable comments and suggestions from distinguished speakers and guests enriched the understanding of the seminar's subject matter, which also would assist the policymakers and relevant stakeholders to identify and formulate conducive policies to boost cooperation under the BIMSTEC umbrella. These would be compiled into a book and that would be sent to all stakeholders in a befitting manner. To reap full benefits of BIMSTEC cooperation, all governments involved here must come forward with earnest initiatives to bring in prosperity for all.