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BIMSTEC: Re-modelling for a Bigger Role?

By Nazia Hussain

Synopsis

Changing geopolitical realities in the region have brought about a renewed interest in the Bay of Bengal. Can BIMSTEC utilise the momentum to remodel itself as a grouping to be reckoned with?

Commentary

BIMSTEC, officially known as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, held its first ever military exercise in [September 2018](#) in Pune, India. Termed “MILEX-2018”, the transnational exercise aimed to boost interoperability among forces and exchange best practices in counter-terrorism.

This exercise comes just a fortnight after the 4th BIMSTEC Summit was held in Kathmandu on 30-31 August 2018. The Summit saw the [signing](#) of a Memorandum of Understanding (MoU) on establishing a BIMSTEC Grid Interconnection to enhance energy cooperation among the seven BIMSTEC member states — Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand.

Growing Momentum

Keeping the momentum, a connectivity gathering in Thailand came soon after the military exercise, where senior officials met to discuss the BIMSTEC Transport Connectivity Master Plan which is to be finalised this year. The US\$50 billion [project](#) would have 167 connectivity-related components.

This flurry of activity is unusual for the sub-regional grouping which has had very little visibility even within the region in the last two decades. Established in 1997, BIMSTEC

[planned](#) to hold summits every two years, ministerial meetings every year, and senior officials' meetings twice a year.

However, the last two decades only saw three summits, no ministerial meeting was held between 2014 and 2017, and the senior officials' meeting was postponed seven times during 2014-17.

Why the Renewed Interest?

Changing geopolitical realities in the region have brought about a renewed interest in the Bay of Bengal. As the regional grouping of choice in South Asia — SAARC — flounders with strained India-Pakistan relations, New Delhi has realised that BIMSTEC would allow for a broader playing field.

Strategically located in the Indian Ocean, the Bay of Bengal and BIMSTEC not only caters to the wider concept of “Indo-Pacific” and an Indian Ocean community that New Delhi espouses, it also includes two ASEAN member states (Myanmar and Thailand) in its ranks which is crucial for New Delhi's key foreign policy priorities —the Act East Policy and Neighbourhood First.

Both these policies aim for connectivity and development in the frontier states of India's northeast and tackle the issue of cross-border insurgency that has plagued this region for decades. With the northeast sharing borders with four BIMSTEC countries including Myanmar, the possibility of multi-regional cooperation with Southeast Asia and ASEAN makes it an attractive alternative to SAARC.

The China Factor as Catalyst

A major catalyst for the renewed interest is the rise of China which has completely changed the strategic geography and regional security architecture in recent years. The Bay of Bengal as an access route to the Indian Ocean is crucial for Beijing. As such, China has undertaken the Belt and Road Initiative (BRI) towards infrastructure development across South and Southeast Asia.

China's trillion-dollar [project](#) and increasing footprint in the Indian Ocean has shaped present day domestic politics and foreign policy of countries in the neighbourhood and beyond, including the Bay of Bengal littorals.

As Sri Lanka assumes the current chairmanship of BIMSTEC, successfully leading the sub-regional grouping is vital for Colombo to prove its ability to play a larger role in Indian Ocean initiatives.

For Bangladesh, BIMSTEC is a platform for much needed economic development through regional integration. Although the Rohingya issue was not brought up at the summit, the forum does provide an opportunity on the sidelines for Dhaka and Naypyidaw to address outstanding issues if they wish to do so.

The landlocked Himalayan nations of Nepal and Bhutan see BIMSTEC as a way to further integrate with the Bay of Bengal region. For Myanmar and Thailand, which are also part of ASEAN, BIMSTEC allows for a way to redress over-dependence on China

and balance Beijing by providing access to consumer markets in India and other rising BIMSTEC economies.

What next for BIMSTEC?

BIMSTEC failed to generate interest and visibility even within the region in the last 20 years. Now that the sub-regional grouping has finally managed to gain momentum, it is crucial for BIMSTEC to seize the moment and show tangible results on the ground.

To start with, BIMSTEC would do good if it [narrowed](#) down its areas of focus from 14 to 6 — trade and investment, connectivity, energy, people-to-people exchanges, counter-terrorism and the Blue Economy — and enhance the institutional capacity of its Secretariat.

Additionally, the BIMSTEC region requires a Free Trade Agreement (FTA), no matter how limited in scope. Even with a combined GDP of \$2.8 trillion, [intra-regional](#) trade in BIMSTEC barely exceeds five percent, compared to 30 percent within ASEAN. Negotiations for a BIMSTEC FTA have been dragging on for the last 14 years.

To facilitate a FTA, connectivity should be of priority. The Bay of Bengal is one of the least integrated regions in the world despite being home to 1.6 billion people, or nearly [23 percent](#) of the world's population. A Thailand-initiated scheme to "[Connect the Connectivities](#)" under the pending BIMSTEC Coastal Shipping Agreement aims to connect BIMSTEC members through a network of ports running from Thailand, Bangladesh, India's Kolkata, Chennai and Visakhapatnam, and Sri Lanka.

Connecting South and Southeast Asia?

Set aside the fact that BIMSTEC has several connectivity projects in the pipelines, slow movement on the ground is a reason why the sub-regional grouping has been largely rendered ineffective until now.

BIMSTEC should prioritise on finishing up the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multimodal Transit Transport Project which will allow for [sea-access](#) for India's landlocked northeastern states via the Kaladan river in Myanmar. Both projects have lagged behind deadlines for years.

With access to the Indian Ocean and the Himalayas, BIMSTEC is becoming the theatre of convergence and competition for China's Belt and Road Initiative, India's Act East policy and the Asia-Africa Growth Corridor. It remains to be seen if BIMSTEC can seize the day and utilise the momentum to remodel itself as a grouping to be reckoned with.

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