FICCI

REINVIGORATING BIMSTEC

AN INDUSTRY VISION FOR THE NEXT DECADE



Knowledge Paper

by FICCI Core Group

January 2018

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MESSAGE FROM
RASHESH SHAH
PRESIDENT, FICCI

On 6 June 2017, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) completed 20 years of its establishment.

Home to 1.5 billion people, approximately 22 per cent of the world population and with a combined GDP of US$ 2.7 trillion, BIMSTEC carries the potential to catapult regional trade and investment to the next level and provide a framework to achieve sustainable development.

The question is how to make BIMSTEC a dynamic bridge between South and Southeast Asia, and an effective mechanism to achieve national goals and regional aspirations of the Member States.

For India, BIMSTEC assumes high priority: Prime Minister Narendra Modi, in his message on the 20th Anniversary of the establishment of BIMSTEC, described BIMSTEC as "a natural platform" to fulfill India's "key foreign policy priorities of 'Neighbourhood First' and 'Act East'."

As flag-bearers of Indian Industry, our endeavour with this publication is to understand the key drivers of the development paradigm for the region, identify contours of an economically feasible and result-driven approach for BIMSTEC to achieve sustained progress and submit a set of recommendations including requisite policy interventions.

FICCI, as the national industry association of India, constituted this Core Group to examine and set an economic vision for BIMSTEC over the next decade. Some of the leading lights of academia, policy experts and industry have come together in a year-long exercise to develop the vision captured in the following pages.

It is a privilege for me to present this document to you. I trust that you would find resonance with the recommendations. As stakeholders in BIMSTEC's progress, we can make a difference in our respective domains. Thank you!

New Delhi: 26 January 2018





MESSAGE FROM CHAIR AND CO-CHAIR OF CORE GROUP

This Knowledge Paper – Reinvigorating BIMSTEC – is an attempt to present a comprehensive vision for enhanced engagement for economic development and growth among seven member states of BIMSTEC, namely Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand. Our Core Group has crafted the report from the industry perspective, a vision for the rejuvenation of BIMSTEC.

Accordingly, we have made policy recommendations for "a new BIMSTEC", so that it becomes a thriving partnership among governments, business and industry, civil society and people at large – working together for the shared objectives of ensuring security, preserving peace, and expanding the reach and impact of development.

The Knowledge Paper also recommends strategic thrusts for strengthening infrastructure linkages, deepening regional transport connectivity, facilitating cross-border trade, investment and tourism, protecting environment and promoting sustainable use of shared natural resources in BIMSTEC economies.

We are grateful to the President and Secretary General of the Federation of Indian Chambers of Commerce and Industry (FICCI) for their innovative decision to establish the Core Group on BIMSTEC. We wish to acknowledge the valuable support of Ms. Ambika Sharma, Director General, International Affairs, Ms. Sushma Nair, Additional Director, and their colleagues. We greatly appreciate the enthusiastic engagement of all members of the Core Group who through their time, expertise and ideas made commendable contribution for bringing out this Knowledge Paper. The assistance of Professor Prabir De, RIS in drafting the report is also appreciated.

We hope that this Knowledge Paper will go a long way in strengthening economic, social and cultural bonds among BIMSTEC countries.

Ambassador Rajiv Bhatia
Chair

Padma Shri Vikramjit Singh Sahney
Co-Chair

FICCI Core Group on BIMSTEC

EXECUTIVE SUMMARY

'Reinvigorating BIMSTEC: An Industry Vision for the Next Decade' is an innovative endeavour by FICCI to delineate the contours of regional cooperation at the intersection of South Asia and Southeast Asia, as the region prepares to head into 2020s. It is the product of FICCI's Core Group of Experts on BIMSTEC. It critically analyses the development of this important regional grouping in the past 20 years and also presents a comprehensive and practical vision for the next ten years.

Launched in August 1997 as a small sub-regional organisation of four countries – Bangladesh, India, Sri Lanka and Thailand – it went on to bring three others – Myanmar, Bhutan and Nepal – in its fold in the subsequent years. BIMSTEC thus truly emerged as a bridge between South Asia and Southeast Asia and also as a forum largely centered on the Bay of Bengal. It worked to promote "rapid economic development" and to secure "economic growth and social progress" in the sub-region through mutual cooperation.

Its 20th anniversary in June 2017 was an appropriate moment to reflect on its achievements and challenges. The Core Group noted that the grouping's performance was widely assessed to be "modest." However, it showed much promise and potential, especially during the period from October 2016 to October 2017. This was marked by the beginnings of its rejuvenation as symbolised by the Retreat of its Leaders, which was followed by its Outreach Summit with the BRICS leaders, with both events taking place in Goa on 16 October 2016. The Fifteenth Ministerial Meeting of BIMSTEC, held in Kathmandu on 11 August 2017, was then able to produce a clear and crisp action plan to deepen cooperation among the Member States.

Following in-depth internal deliberations, meticulous research, extensive discussions with stakeholders and consultations with relevant officials and experts, the Core Group came to a clear conclusion: BIMSTEC's full potential has not been realised yet due to the lack of critical support – strong and clear political commitment, adequate financial resources, full engagement of business and industry, and optimal involvement of civil society. This Knowledge Paper includes a specially commissioned Perception Survey, a first of its kind, that establishes an unmistakable interest in strengthening cooperative economic linkages within the BIMSTEC region. Stakeholders from India-based diplomatic missions of BIMSTEC countries and academic and business communities of India, who responded to the survey, highlighted the potential to leverage the common civilisational connect to build people-to-people linkages.

Adopting a realistic but forward-looking perspective, the Core Group has developed an elaborate set of recommendations aimed at ensuring the proposed rejuvenation of BIMSTEC. Section VIII contains the macro-level recommendations, divided under six sub-sections, namely Indo-Pacific Perspective, Political Orientation, Institutional Reforms, Business and Industry Dimension, Financing Challenge, and Strategic Thrust. The reader is particularly invited to peruse Section V that presents the Core Group's detailed analysis and recommendations on an array of themes such as Trade and Investment, Connectivity (including Transport and Communication), Energy, Disaster Management Tourism, People-to-People Contacts (including Cultural Cooperation), Blue Economy and Mountain Economy.

The Core Group advocates "all possible measures" that contribute to the emergence of BIMSTEC as "a dynamic, thriving and people-centric ecosystem." It also stresses the need for long-term commitment from policy makers for BIMSTEC to achieve its unique potential.

In preparing this Knowledge Paper, the Core Group has drawn leading experts from Asian Confluence, Burma Centre, CUTS International, Gateway House, Institute for Defence Studies and Analyses (IDSA), Institute of Chinese Studies, India Foundation, Maulana Abul Kalam Azad Institute of Asian Studies (MAKAIAS), National Council of Applied Economic Research (NCAER), Observer Research Foundation (ORF), Research and Information System for Developing Countries (RIS) and Vivekananda International Foundation (VIF) as well as from among retired ambassadors and prominent CEOs of companies interested and active in the region. As a result, the publication in your hand bears the stamp of a judicious blend of academic expertise as well as diplomatic and business experience.

The Core Group was chaired by Ambassador Rajiv Bhatia, Distinguished Fellow, Gateway House and co-chaired by Padma Shri Vikramjit Singh Sahney, Chairman of Sun Group.



I. INTRODUCTION

I



Introduction

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) has been established to foster technical and economic cooperation among seven Member States, namely, Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. Its significance emanates from the fact that it represents a direct link between select South Asian and South East Asian nations which are members either of the South Asian Association for Regional Cooperation (SAARC) or the Association of Southeast Asian Nations (ASEAN). Besides, BIMSTEC is increasingly viewed as a viable alternative to SAARC, which has been in a state of serious deadlock for nearly two years.

The geographical contiguity of BIMSTEC Member States, abundant natural and human resources, rich historical linkages and shared cultural heritage provide the grouping an ideal platform to promote peace, stability and prosperity in the Bay of Bengal region. Greater sub-regional cooperation is in the mutual interest of the BIMSTEC countries.

For instance, the Sri Lankan economy, which caters for significant areas of Asia, would immensely benefit from forging arrangements to enhance trade with other Member States of BIMSTEC, as it has huge trade potential. Myanmar, because of its strategic location, stands at the centre of BIMSTEC transport network. Considering the large reserves of oil and gas which the country is endowed with, Myanmar can contribute to the region's energy security. Thailand, one of the most advanced economies of the region, brings its own advantages to the grouping.

Bangladesh can leverage the grouping to revive pre-1947 connectivity to the immediate neighbourhood and beyond. India gets a rare opportunity to pursue the agenda of regional cooperation among like-minded countries, without the burden of political baggage. India's engagement also helps in connecting South Asia with other Southeast Asian countries like Vietnam, Cambodia and Lao PDR using land and maritime connectivity. Other Member States, especially Nepal and Bhutan, can benefit from India's favourable demography, economic fundamentals and a growing large market.

The table containing a macro-economic overview of BIMSTEC countries may be seen at Appendix I.

Brief Background

BIMSTEC started its journey in 1997 in Bangkok where the four countries of the Bay of Bengal region - Bangladesh, India, Sri Lanka and Thailand - convened a meeting and jointly formed a new sub-group on 6 June 1997 under the name of BIST-EC (Bangladesh-India-Sri Lanka-Thailand Economic Cooperation). Myanmar attended this meeting as an observer and obtained full membership in December 1997. While acknowledging the additional member, the acronym was changed to BIMST-EC. Subsequently, Nepal and Bhutan joined the grouping in February 2004. As a result, the 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation' was adopted as the full name or BIMSTEC as the acronym.

In 2011, it was decided to establish the Permanent Secretariat in Dhaka as an institutional channel for follow-up, coordination and monitoring activities. It became operational in August 2014.

The Bangkok Declaration of 1997 spelt out the grouping's objectives as below:

a) To create an enabling environment for rapid economic development through identification and implementation of specific cooperation projects in the sectors of trade, investment and industry, technology, human recourse development, tourism, agriculture, energy, infrastructure and transportation.

b) To accelerate the economic growth and social progress in the sub-region through joint endeavours in a spirit of equality and partnership.

c) To promote active collaboration and mutual assistance on matters of common interest in the economic, social, technical and scientific fields.

d) To provide assistance to each other in the form of training and research facilities in the educational, professional and technical spheres.

e) To cooperate more effectively in joint efforts that are supportive of and complementary to national development plans of Member States, which will result in tangible benefits to the people in raising their living standards, including generating employment and improving transportation and communication infrastructure.

f) To maintain close and beneficial cooperation with existing international and regional organisations with similar aims and purposes.

g) To cooperate in projects that can be dealt with most productively on a sub-regional basis and make the best use of available synergies among member countries.

The grouping's founding principles were identified as follows:

a) Cooperation will be based on respect for the principle of sovereign equality, territorial integrity, political independence, non-interference in internal affairs, peaceful coexistence and mutual benefit.

b) Cooperation will constitute an addition to and not be a substitute for bilateral, regional or multilateral cooperation involving the Member States.

Three BIMSTEC Summits have been held so far: Bangkok (2004), New Delhi (2008) and Nay Pyi Taw (2014).

India hosted the Retreat of BIMSTEC Leaders and the BRICS-BIMSTEC Outreach Meeting in Goa on 16 October 2016. The Outcome Document of the former event is at Annexure I.

The 15th Ministerial Meeting was held in Kathmandu on 11 August 2017. Its Joint Statement is at Annexure II.

FICCI's Core Group of Experts on BIMSTEC

Considering India's enhanced focus on deepening ties with neighbours, strengthening regional engagement in the grouping and in order to commemorate the 20th anniversary, FICCI – as the apex industry chamber of India – took the important initiative to start a formal discourse among key stakeholders, define a vision and develop a roadmap for rejuvenating BIMSTEC.

For this purpose, FICCI formed in April 2017 the Core Group of Experts on BIMSTEC, comprising thought leaders and experts functioning under the leadership of Ambassador Rajiv Bhatia as the Chair and Mr. Vikramjit Singh Sahney as the Co-Chair. Brief profiles of the Core Group Chair, Co-Chair and Members are at Annexure III.

The Core Group was entrusted with the following tasks:

a) Assess the present state of BIMSTEC and provide inputs, based on a comprehensive understanding, for charting out the future course of BIMSTEC in the medium and long-term and recommend the necessary improvements required in the existing mechanisms;

b) Spell out a comprehensive and doable vision for the next 10 years in BIMSTEC;

c) Facilitate the creation of a sustainable model for businesses to thrive in BIMSTEC, largely by:

- Identifying and promoting growing business opportunities in the grouping; and
- Understanding concerns and critical issues that impact business decision-making for engaging with BIMSTEC countries.

d) Identify policy gaps and enablers to facilitate deeper engagement among the regional players. In other words, suggest feasible ways in which the grouping could play a greater and effective role in strengthening sub-regional cooperation.

e) Design a set of policy recommendations underlining the necessary improvements in existing BIMSTEC mechanisms, including strengthening of the BIMSTEC Secretariat (if need be), for effective monitoring, evaluation and implementation.

This Knowledge Paper is the outcome of detailed deliberations within the Core Group, informal dialogue with the authorities concerned in India as well as the BIMSTEC Secretariat, and a variety of other stakeholders in the North Eastern Region and elsewhere. It is designed to trigger further debate and discussion in the larger constituencies of BIMSTEC. It is driven by the conviction that governments will benefit immensely through a rich outpouring of ideas and suggestions on how to make BIMSTEC a more productive and effective institution in the years to come.



II. BIMSTEC: THE JOURNEY SO FAR

II



BIMSTEC: The Journey So Far

In the late 1990s, the SAARC project progressed fitfully. Under the leadership of Prime Minister P.V. Narasimha Rao, India launched its Look East Policy. New Delhi's focus was on addressing the problems that bedeviled its relations with Bangladesh and Myanmar. India's attempt to encourage Myanmar to join SAARC rather than ASEAN as the regional grouping of choice, had failed. Thailand was discovering the attractions of liberalisation of the vast Indian market. The launch of the Trilateral Highway Project in December 2003 strengthened the identity of common interests linking India, Thailand and Myanmar. The criticality of the Northeast Region (NER) as the vulnerable underbelly of India as well as its potential as a bridge and gateway between South Asia and Southeast Asia was internalised. A coalition of all these impulses, together with the targeted region's shared desire to be wary of China, moulded the evolution of BIMSTEC in the first 19 years of its existence.

Successful multilateral organisations hold their summits regularly. G20, G7 and BRICS, for example, have made it a point to convene annual summits of its top leaders. ASEAN summits are held twice a year. In contrast, only three summits of BIMSTEC countries were held in the first two decades. They were supported by a total of 14 meetings of the foreign ministers. The 15th Ministerial Meeting was held in Kathmandu in August 2017.

The infrequency and irregularity of meetings of Heads of State/Government, Ministers and even of senior officials indicated limited interest and inadequate political commitment of Member States to the organisation. Besides, these meetings were largely declaratory in nature. They set goals and outlined programmes for activities, many of which remained unimplemented. This, in turn, created even fewer incentives for the principals to meet frequently.

As the 20th anniversary approached, BIMSTEC's performance was widely assessed to be modest. Sumith Nakandala, the then secretary general of BIMSTEC, identified a few areas where limited progress had taken place: counter terrorism, a few of BIMSTEC Transport Logistics and Infrastructure Study (BTLIS) projects, energy cooperation and public health. However, he pointed out that opportunities were repeatedly missed between 2004 and 2015 to move forward from the Framework Agreement on Free Trade Area (FTA) to the latter's actual fruition through tariff liberalisation and other forward-looking measures. "The whole process dragged …" as he put it candidly.[1]

[1]Sumith Nakandala. 'Rejuvenation of BIMSTEC', BIMSTEC: The Road Ahead, RIS , p.7

Trade and investment, and connectivity – physical and digital – have been recognised as the core areas of BIMSTEC. In addition, it needed to promote regional cooperation in other specific areas, namely, people-to-people contacts, regional connectivity and regional value chains as well as energy security, counter-terrorism and climate change. Nakandala's considered view was that BIMSTEC, being a Member States driven organisation, needed "a leader … a leadership." He stressed: "No regional organisation has succeeded without a leader."[2]

In this sobering backdrop, the year from October 2016 to October 2017 turned out to be a most productive and promising period. It showed that, with New Delhi stressing its faith in BIMSTEC, the process of its rejuvenation may have begun. In this regard, the following developments were noteworthy:

- India's initiative to convene the Retreat of BIMSTEC Leaders in October 2016 was viewed as path-breaking. At this informal summit, first of its kind, participants validated and updated the vision of the Bangkok Declaration. They committed themselves to securing a mix of old and new goals for consolidating regional cooperation.

- The Retreat was followed immediately by the Outreach Summit between BIMSTEC and BRICS leaders. This was a 'first' for BIMSTEC leaders, and it was in keeping with the BRICS tradition to interact with leaders of the region where BRICS summits are held. A broad understanding was reached to promote convergence of interests between the two groupings, propelling the expectation that, in due course, the New Development Bank (NDB) of BRICS may become amenable to fund a few development projects in the BIMSTEC countries.

- The first-ever meeting of the National Security Advisers was hosted by India in March 2017. Participants recognised the importance of the Bay of Bengal as "common security space" and agreed to craft "collective strategy for common responses." It was noted that Member States faced common security challenges of both the traditional and non-traditional variety, which must be addressed through a cooperative endeavour. This approach aimed to cover maritime cooperation, cyber security, counter-terrorism strategy and a strengthened system of Humanitarian Assistance and Disaster Relief (HADR).

- The Fifteenth Ministerial Meeting, held in Kathmandu on 11 August 2017, was notable for producing a clear and crisp action plan pertaining to a broad front of sectoral activities to deepen regional cooperation. The ministers pledged to make BIMSTEC "stronger, more effective and result-oriented."

- Smooth change-over from the first to the second secretary general took place in September 2017 as M. Shahidul Islam, a senior diplomat of Bangladesh, succeeded Sumith Nakandala of Sri Lanka. With the organisation's secretariat based in Dhaka and with it being led by an accomplished diplomat from Bangladesh enjoying the host government's full confidence, BIMSTEC seemed set to receive a fresh wind in its sails.

- India hosted the first annual BIMSTEC Disaster Management Exercise in Delhi from 10-13 October 2017. About 135 delegates from all Member States, handling policy and operational aspects, participated. The main focus of the Exercise was to create synergy and synchronise regional cooperation and inter-governmental coordination efforts for disaster management.

[2]Sumith Nakandala. 'Rejuvenation of BIMSTEC', BIMSTEC: The Road Ahead, RIS, p.7.

However, a significant disappointment too was noted: the expectation that the fourth summit would be held before end 2017 remained unfulfilled. Experts are agreed that if the governments are serious about strengthening the current momentum, they need to convene the next summit as soon as possible. Further delay may send wrong signals and hamper the current drive towards the grouping's rejuvenation.



III. SECTORAL SPECTRUM

III



Sectoral Spectrum

At the Second Ministerial Meeting held in Dhaka in November 1998, six priority sectors of cooperation were identified, namely Trade and Investment, Transport and Communication, Energy, Tourism, Technology, and Fisheries.

Following the Eighth Ministerial Meeting held in Dhaka in December 2005, a number of new areas of cooperation emerged; as a result, the number of priority sectors increased from six to thirteen. The seven new sectors added were Agriculture, Public Health, Poverty Alleviation, Counter-Terrorism and Transnational Crime, Environment and Natural Disaster Management, People-to-People Contact and Cultural Cooperation.

Subsequently, the Thirteenth Session of the Senior Officials' Meeting recommended the inclusion of Climate Change as the 14th priority area of cooperation, which was endorsed at the Eleventh Ministerial Meeting held in New Delhi in 2008.

Table 1 below presents the list of priority sectors and the corresponding lead country.

Table 1: BIMSTEC Priority Sectors

S. No.	Sector	Lead Country
1	Trade and Investment	Bangladesh
2	Technology	Sri Lanka
3	Energy	Myanmar
4	Transport & Communication	India
5	Tourism	India
6	Fisheries	Thailand
7	Agriculture	Myanmar
8	Cultural Cooperation	Bhutan
9	Environment & Disaster Management	India
10	Public Health	Thailand

S. No.	Sector	Lead Country
11	People to People Contact	Thailand
12	Poverty Alleviation	Nepal
13	Counter-Terrorism and Transnational Crime	India
14	Climate Change	Bangladesh

Source: BIMSTEC Secretariat, Dhaka

Following the Retreat of BIMSTEC Leaders in October 2016, new areas of cooperation such as the Blue Economy and the Mountain Economy were also identified. The leaders agreed about the enormous potential of development of these two sectors. They decided to explore ways to deepen mutual cooperation in specific areas such as aquaculture (both inland and coastal), hydrography, seabed mineral exploration, coastal shipping, eco-tourism and renewable ocean energy with the objective of promoting holistic and sustainable development of the BIMSTEC region.[3]

[3]A good, recent source of information and analysis on BIMSTEC-related developments is the 12 December 2017 issue of The Book Review with its 'Focus on BIMSTEC.'



IV. SUSTAINABLE DEVELOPMENT GOALS

IV



Sustainable Development Goals

The second BIMSTEC Ministerial Meeting on Poverty Alleviation adopted in 2012 the BIMSTEC Poverty Plan of Action. The fifteenth meeting of BIMSTEC ministers, held in August 2017, reaffirmed its commitment to its effective implementation in line with the UN Sustainable Development Goals (SDGs). The third BIMSTEC Ministerial Meeting on Poverty Alleviation was hosted by Sri Lanka on 19-20 December 2017.

In September 2015, the UN adopted a set of 17 sustainable development goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets, to be achieved over the next 15 years. On 1 January 2016, the SDGs of the 2030 Agenda, adopted by world leaders at the historic UN Summit, formally came into force[4]. The SDGs aim at eradicating poverty by 2030, including no poverty, zero hunger, good health and wellbeing, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, peace, justice and strong institutions, partnerships for the goals.[5]

Sumith Nakandala, former secretary general of BIMSTEC, stated in an interview that the grouping's members were mindful that by 2030, they were obliged to achieve the goals. Most of them have developed their domestic frameworks for achieving the SDGs.[6] The SDGs, also known as Global Goals, build on the success of the Millennium Development Goals (MDGs) and seek to go further to end all forms of poverty.[7] The new goals are unique in that they call for action by all countries – poor, rich and middle-income – to promote prosperity, while protecting the planet.

[4]Sustainable Development Goals accessed at http://www.un.org/sustainabledevelopment/sustainable-development-goals/

[5]Ibid

[6]Himalayan Times Article titled 'Collective commitment of political leaders of member states rejuvenates BIMSTEC'accessed at https://thehimalayantimes.com/business/collective-commitment-of-political-leaders-of-member-states-rejuvenates-bimstec/

[7]UN's Sustainable Development Agenda accessed at http://www.un.org/sustainabledevelopment/development-agenda/

They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection and job opportunities, while tackling climate change and environmental protection.

Although the SDGs are not legally binding obligations, governments are expected to take ownership and establish national frameworks for the achievement of the 17 goals. Countries have the primary responsibility for follow-up and review of the progress made in implementing them. This will require quality, accessible and timely data collection. Regional follow-up and review will be based on national-level analyses and contribute to follow-up and review at the global level.

Research institutes of BIMSTEC countries specializing in the study of SDGs should be tasked to develop a blueprint for the consideration of BIMSTEC. There is considerable scope for consultation with and contribution by think tanks and other relevant agencies of all BIMSTEC Member States in this regard.



V. CORE GROUP'S PERSPECTIVE

V



Core Group's Perspective

BIMSTEC was launched 20 years back to secure the broad goal of "rapid economic development" among its Member States. Its ambitions expanded over time and, as a result, the list of priority sectors kept increasing. The mix of broadening agenda and limited resources resulted in unsatisfactory progress.

The Core Group reviewed and assessed relevant developments in various priority sectors. It is convinced of the need to be realistic and to encourage a sharp focus on a small number of priority sectors at present. Therefore, it decided to present its vision and ideas in respect of only a few select sectors of BIMSTEC activity, in accord with the expertise and interests of the Core Group. Its ideas are spelt out in the section below.

1. Trade and Investment

Economic cooperation among countries with shared borders has long been recognised as contributing to the creation of larger markets for producers and consumers and encouraging economy of scale by reducing barriers to trade and movements of capital and labour. BIMSTEC countries value business and economic partnerships, and are taking steps to strengthen the economic relationship. BIMSTEC's regional integration is firmly anchored in economic cooperation. There is enormous potential in the areas of economic relations, connectivity and energy, which remains to be exploited.

Trade is one of the priorities of the BIMSTEC countries. About 60 per cent of BIMSTEC's combined GDP presently comes from trade. BIMSTEC countries constitute 3.8 per cent of world trade. Greater openness to trade is also reflected in higher intra-regional trade. Intra-regional trade among BIMSTEC countries was about US$ 40.5 billion in 2016 (about 6 per cent). Currently, India's export share in BIMSTEC is about 50 per cent (US$ 21 billion), followed by Thailand 30 per cent (US$ 12.2 billion) and Myanmar 14 per cent (US$ 6.1 billion).

BIMSTEC has a trade potential of US$ 250 billion against the current actual intra-regional trade of US$ 40.5 billion.[8] BIMSTEC has substantially high untapped trade potential, which has remained unrealised due to barriers to trade and structural differences of the economies, among which some are policy barriers such as tariff and non-tariff measures, exchange rate volatility etc, whereas a large part of the barriers are related to environment such as remoteness and low connectivity, inadequate banking and financial instruments, and unfavourable business environment.[9] Therefore, such enormous untapped potential can be unlocked if members take effective measures to reduce the barriers to trade. Tariffs do not appear to be the major barrier to trade in BIMSTEC. It is the non-tariff issues which are holding back the trade growth. Although there has been some improvement, the cost and time to trade within BIMSTEC are still relatively high.

Hence, BIMSTEC countries must remain well positioned with respect to emerging global and regional developments and should focus more to strengthen intra-regional and inter-regional infrastructure linkages through policy and institutional measures. It is noteworthy that the establishment of regional integration arrangements in BIMSTEC has done little to break barriers between the countries so far. Breaking existing trade barriers, therefore, needs the countries to shoulder shared responsibilities.

Strategic Thrust

To unlock the untapped trade potential, member countries should look at the possibilities of finalising negotiations for a comprehensive FTA, introduce state-of-the art trade facilitation measures, undertake measures to harmonise NTMs, set up region-wide physical and digital connectivity and strengthen energy linkages. BIMSTEC as a grouping can be attractive for accrual of advantage to participants beyond bilateral transactions, and, hence, the scope to involve more than two countries in the targeted sector should be the key for setting the policy.

Signing a Comprehensive FTA

A comprehensive FTA in goods, services and investment for BIMSTEC would be the game-changer. An FTA in BIMSTEC would be able to rationalise NTMs which, in turn, would facilitate regional trade as well as production networks. Member States should consider agreeing to a simple tariff-free FTA covering all goods.[10]

[8]Trade volume refers the year 2016, sourced from DOTS, IMF. Appendix II presents the country-wise actual and potential trade for the year 2016.

[9]Refer, De, Prabir (2016)"Strengthening BIMSTEC Integration: The New Agenda", BIMSTEC Newsletter, Vol. 72, No. 1, June 2016

[10]BIMSTEC is the only regional integration initiative that does not as yet have a Free Trade Agreement (FTA) operating even after signing of a framework agreement as long as a decade earlier. The last round of BIMSTEC trade negotiations was held in 2015 in Thailand. BIMSTEC may adopt Customs Union-like conditions, which could be achieved by adopting common external tariffs on the inputs and outputs of certain sectors and agreeing on relaxed Rules of Origin (RoO). BIMSTEC Customs Union (BCU) would ensure zero tariffs between members and a common external tariff. If that happens, intra-BIMSTEC border posts would not be required to levy tariffs or enforce Rules of Origin (RoOs). To attain such objectives, Member States need to design a strategy and complete the ongoing trade negotiation process. The caveat is that the formation of BCU assumes that no customs union arises with same or some of the Member States.

Achieving Regulatory Harmonisation and BIMSTEC MRAs

The BIMSTEC single market would contribute further through regulatory harmonisation. It would ensure that goods may be exported without requiring additional certification, that customs procedures are harmonised, and that many services can be traded without hindrance through deeper financial cooperation and mutual recognition of professional qualifications. Single market-like access could be approximated through sectoral Mutual Recognition Agreements (MRAs) for standards and testing. A regional body is needed to facilitate such a programme.

If there is political will, it would be possible to convert existing bilateral arrangements into regional Mutual Recognition Agreements (MRAs). This is not as complicated as creating new MRAs because some of the BIMSTEC countries have worked with each other for decades in other platforms such as SAARC or ASEAN. A voluntary reduction in regulatory self-determination in exchange for market access would be useful to start with.

Strengthening Regional Value Chains (RVCs)

BIMSTEC countries need to implement policies to link themselves to production networks in Southeast and East Asia and to develop regional and global value chains, both in goods and services. Such moves will help jump start economic integration in BIMSTEC. Value chains can be developed by working on the special themes built around the core cluster. For example, the city of Kannauj in India, famous for manufacturing perfumes and essential oils, can be an attractive investment destination for the health wellness industry of Sri Lanka and Thailand. Sari weaving centers of Varanasi can find natural partners in Sari weaving centers of Tangail and Rajshahi in Bangladesh to exchange patterns and ideas to grow the market beyond India.

Regional value chains are building blocks to global value chains. The creation of RVCs in BIMSTEC will depend on a host of factors. One such factor lies in the ability of BIMSTEC firms to capitalise on existing resources and opportunities. For example, BIMSTEC countries having access to the Bay of Bengal are also home to several agricultural and horticultural resources. Developing more agricultural value chains across countries could be the key for unlocking this potential. Another factor which would influence the creation of successful regional value chains will be the extent to which regional cooperation measures and instruments are available to BIMSTEC countries.

Enhancing Private Sector Participation and Competitiveness

India's transformation into a fast growing economy could offer spillover benefits to other BIMSTEC nations. India is one of the world's fastest-growing emerging markets. India has successfully resolved a number of regulatory and policy issues facing businesses and companies. India has moved up to the global rank of 100 in the index of Ease of Doing Business of the World Bank. India's recent flagship initiatives and reforms, listed at Appendix III, may be of considerable interest and relevance to other Member States of BIMSTEC. A mutual dialogue among them would be beneficial to all parties.

Facilitating Investment, Driving Integration

Investment cooperation should be accorded the highest importance and priority to strengthen intra-regional investment in BIMSTEC. FDI inflows to BIMSTEC crossed US$ 46 billion, which was mostly driven by India. India's economic reforms, in the last three years, have resulted in higher

FDI flows, which have created opportunities for other BIMSTEC neighbours. There is, however, a wide variation in the pace of investment reforms in the region. India's success stories seem to offer important lessons to other BIMSTEC nations. In order to achieve increased FDI, BIMSTEC countries should further reinforce their macro-economic environments towards liberalising and harmonising their investment regimes. Investment facilitation should be an upfront priority to build the needed infrastructure in BIMSTEC. Therefore, countries need to expedite negotiations on the Agreements on Services and Investment.

BIMSTEC Code to Facilitate Business

There can be a unique BIMSTEC code allotted to interested businesses having presence in more than one country, which can be used for storing and sharing data within the Member States for the respective companies. This can be incentivised by faster business registration in the member countries, faster tax credit against income tax adjustment, quick customs clearance based on the shared data, quicker visa for registered employees for the respective companies and easy movement of assets and resources for companies working on projects within multiple member countries. This can facilitate faster and transparent exchange of data on participating businesses and eliminate the need of paperwork and multiplicity of clearances especially for project companies.

Integrating Capital Markets and Sustaining Investment Reforms

Capital markets are vital for drawing private investment as well as for intra-regional investment. BIMSTEC countries should connect their capital markets. Regional network of BIMSTEC stock exchanges would facilitate regional investment. Issuing local currency bond in stock exchanges in BIMSTEC countries or beyond should be encouraged.[11] Besides, BIMSTEC countries should take initiatives to make the arbitration proceedings faster, and should move towards convergence of Intellectual Property Rights (IPR) policies.

Setting up BIMSTEC Industrial Parks

Member States can set up BIMSTEC Industrial Parks to drive the investment. For example, India can offer BIMSTEC Industrial Park in Tripura to invest for export-oriented industries. Port Blair and Andaman Islands can be identified as partner destinations of Phuket and other islands of the Andaman Sea of Thailand for tourism development. Kerala and Sri Lanka are natural partners with Thailand for the development of health and wellness tourism.

Promoting Trade Facilitation

The digitalization and growing tele-density should be harnessed to reach out to the population for deeper and wider engagement across the Member States. BIMSTEC countries should undertake policies to build a functional 'just in time' supply chain within the region as well as with the partner countries such as Japan and ASEAN. Countries should ensure that frictionless trade is made possible. Deep sectoral agreements in BIMSTEC are possible under the WTO TFA.

[11]For example, Masala Bonds were issued in the Indian offshore market in 2016. Masala Bond is a term used to refer to a financial instrument through which Indian entities can raise money from overseas markets in the Rupee, not foreign currency. These are Indian rupee denominated bonds issued in offshore capital markets. The rupee denominated bond is an attempt to shield issuers from currency risk and instead transfer the risk to investors buying these bonds. A number of countries do this. China, for instance, issues local currency offshore bonds known as "dim sum" bonds. In a way Masala Bond is a step to help internationalise the Indian rupee.

Stronger cooperation between the customs authorities of BIMSTEC countries is needed to not only facilitate trade, but also link up each other's EDI systems, establish a 'single window', and promote safe and secure trade, particularly at the border. BIMSTEC countries may sign a regional trade facilitation agreement for cooperation in the matter of customs, training and capacity building, exchange of information, setting disputes, etc. WTO TFA provides scope to BIMSTEC countries to deal with trade facilitation issues such as border agency coordination, customs valuation, transparency, transit, etc. Since all the BIMSTEC countries have ratified the WTO TFA, a regional trade facilitation agreement in BIMSTEC with greater commitments and possibly higher levels of obligation and wider coverage (WTO+) would pave the way to facilitate regional trade and value chains. At the same time, BIMSTEC countries should complete the negotiations for the Agreement on Mutual Assistance on Customs Matters.

BIMSTEC Travelers Card and Visa Facilitation

Increased participation will necessitate faster movement of people within the member-countries. Hence, an electronic BIMSTEC visa can be devised for accredited businesses. BIMSTEC countries may consider APEC-type Business Travelers Card for the region.

Accreditation of Educational Qualifications

To promote services trade in the region, accreditation of educational qualifications is needed. Accreditation of select educational qualifications of participating countries will permit the students and skilled manpower to work within countries in the sectors having skill deficit.

2. Transport and Communication

Connectivity is an essential pre-requisite for effective development of market access. The basic premise of an efficient regional as well as global market is the smooth flow of goods, services, technology and people across borders. Equally important is the institutional and procedural aspects of connectivity related to rules and governance structures that regulate such cross-border movement.

Over 40 per cent of BIMSTEC's intra-regional trade is ocean-borne, demonstrating the need of maritime connectivity. Strengthening maritime connectivity will contribute to faster and more efficient development of trade and value chains.

There are very few direct short-sea connections between Indian ports and those of the other BIMSTEC countries in the wider Bay of Bengal region. The only exception is Colombo Port that is relatively well connected due its status as a hub port in South Asia. This lack of connectivity is especially true for India's eastern coast ports, and it adds costs and transit times to intra-BIMSTEC movement of cargo by sea.

The challenge is partially related to the 'chicken-and-the-egg' problem; that is, connections require that high trade volumes be present, yet (in some ways) having liner connections creates the enabling environment needed to establish such volumes. The focus of eastern coast ports is on bulk goods, and they handle a very small share of overall container traffic in and out of India.

However, the goal of integrating with global production networks cannot be achieved without establishing low-cost containerised shipping linkages with major global and (especially) regional industrial nodes in the BIMSTEC region.

Global examples clearly show that developing coastal corridors with regular and competitively priced short-sea shipping can help develop strong intra-regional production networks. Existing models in China, Europe, Japan, Canada and New Zealand comprise successful coastal corridors that have evolved to integrate smaller ports served by short-sea shipping and specialised ports (handling bulk and petroleum, oil, and lubricants) with a major hub port. Thus, the priority areas of intervention require policies, incentives, and infrastructure to develop a coastal corridor and a major port with a rich network of liner routes that evolves into a regional transshipment hub over time.

Three strategies are essential to support connectivity within the region: (i) enhanced physical infrastructure (economic corridor), (ii) effective institutions, rules and procedures (institutions), and (iii) knowledge and empowered people (skill development) supported by required financial resources.

Further, it is widely agreed that development of NER is a major factor in India's interest to strengthen BIMSTEC institutions for overall socio-economic growth. For this purpose, connectivity in the Northeast has to be seen in a holistic manner. This implies that intra-state connectivity within each North Eastern state, inter-state connectivity between and among North Eastern states, connectivity between NER and the rest of India, and connectivity between India through NER and BIMSTEC neighbours are all inter-related. Only a comprehensive and inclusive approach will yield dividends in the long term.

Within the ambit of multi-modal connectivity, the role of inland waterways as a connector to the mountain economies of countries like Nepal and Bhutan and Northeast India to the upcoming ocean-based Blue Economy in the Bay of Bengal and the Indian Ocean can be further strengthened. Waterways can be an ecologically-friendly and cheaper way of connecting the region which is naturally connected by rivers.

Completing the Trilateral Highway

India has been working with BIMSTEC to enhance physical connectivity via India's North-eastern region and the eastern seaboard. The India-Myanmar-Thailand Trilateral Highway, once completed, will dramatically reduce travel time across borders and will open up numerous cross-border opportunities for trade and investment. Industrial clusters located along the connectivity corridor could emerge as economic nodes, thereby elevating them as development corridors. These corridors, to be developed under the Act East Policy, would facilitate investments in the region.

Work on the much delayed Trilateral Highway, involving the replacement of 69 old bridges between Tamu and Kalewa and the construction of road between Kalewa and Yargi in Myanmar needs continuous and serious attention at the highest levels. At present, the Trilateral Highway is likely to be completed by 2020. India has also proposed extension of the Trilateral Highway to Lao PDR, Vietnam and Cambodia. Besides, while port and Inland Water Transport (IWT) components of the Kaladan multimodal transit transport project are ready, the connecting road from inside Myanmar to Mizoram as part of the Kaladan project needs to be completed on a fast-track basis.

Developing Coastal and Border Economic Zones

Myanmar has set up several port-based SEZs at Kyaukphyu, Thilawa and Dawei, which upon completion would not only strengthen BIMSTEC connectivity, but also generate employment and reduce poverty. Bangladesh is also setting up ports (e.g. Payra) and several SEZs. Thailand's ambitious digital connectivity and high speed corridors with the GMS region offer useful lessons. A BIMSTEC Investment Zone can be set up at Sittwe in Myanmar.

Signing BIMSTEC MVA

Although not operational yet, the BBIN Motor Vehicles Agreement (MVA), which focuses on connectivity within a segment of BIMSTEC, is a major step in the right direction. The BBIN MVA has two building blocks, i.e. allowing the movement of vehicles across border, and developing customs and other related protocols and governance solutions that would lead to greater trade facilitation for the cargo being carried by the vehicle. Thus, BIMSTEC MVA should be BBIN+. It should help to harmonise technical standards such as truck size and weight regulations, transport rules and regulations, reduce border inspection, and arrange simplification of documentation clearance procedures, and e-submission of trade documents. This proposed Agreement will allow vehicles and passengers to move seamlessly for regional and international trade transportation purposes along the Trilateral Highway. It should integrate the best practices of facilitating overland trade (see Box 1).

Box 1

Proposed Outline of BIMSTEC MVA

(i) Temporary Admission of Vehicles

1. Dispensation of the need for journey-wise permissions: Vehicles (tractors, trailers, and trucks) that have fulfilled technical pre-requisites are allowed to cross borders without specific permit for each journey.
2. GPS based monitoring: Monitoring of whether vehicles stick to the agreed corridors, is done through the use of GPS technology. The protocol can establish a technical requirement for such vehicles to have ability to feed their GPS tracking into monitoring systems established by individual countries. This is much simpler than it sounds to implement. Mobile-based GPS apps and low cost data transmission can be leveraged to easily set up such systems in very short period of time and with little expense.
3. Electronic permits and log of entry/exit: A common online platform for issuance of permits for cross border operations should be developed that allows regulators to have sign-off on permits (as per requirement) thereby ensuring a single-window environment for transporters who apply for such permits. Customs officials can also use this online system to log in the entry and exit of vehicles and thereby track non-compliance related to overstay of foreign vehicle.
4. Carnet like system for temporary movement of vehicles across borders: A carnet like system that allows parties to execute a single bond and guarantee in their own local jurisdiction for operations across the region should be included in the BBIN cargo

protocol. This will reduce the transaction costs arising from the need to execute individual bonds or bank guarantees with regulators and customs of all countries where the truck operates.

5. Regional Insurance scheme similar to COMESA Yellow Card: The COMESA Yellow Card is a motor vehicle insurance scheme which is valid in all the participating countries. It covers third-party liabilities and medical expenses for the driver of the vehicle and his passengers should they suffer any bodily injury as a result of an accident to an insured vehicle. It also facilitates cross-border movement of vehicles between COMESA member countries. As this card is valid in many parts of the region, transporters and motorists do not have to buy insurance cover at each border post they cross.

6. Allowing the movement of trailers and flatbeds, and not just trucks: Logistics service providers and transporters might choose not send a truck across the border. Instead a trailer (flatbed with multiple containers, or a single container trailer) could be taken across the border. For example, an Indian registered prime mover can propel a trailer up to the border. At the border, a Bangladeshi prime mover can take over. This provides operational flexibility and dispenses with the need for certain kinds of insurance cover. It also allows the Bangladeshi leg of the journey to be undertaken by a Bangladeshi driver in a vehicle he is familiar with.

(ii) Customs Related Protocols

If Bangladesh, Bhutan, India and Nepal (BBIN) and BIMSTEC MVA protocols do not eliminate the existing duplication of customs processes, lack of integration of customs operations at the border, and lack of electronic message exchange systems between the Customs related IT systems of BBIN member states, their achievements in terms of regional integration would be extremely modest. Simply allowing a cargo vehicle to cross the border has very little value if not backed up by facilitation that allows the integration of global best practices for regulating overland trade.[12]

Undertaking Reforms in Logistics

BIMSTEC countries may undertake key reforms in the area of connectivity through:

a) Seamless movement of sealed containerised cargo between hinterland customs stations, thus avoiding customs clearance at the borders;

b) Joint customs inspections and administration with customs of both countries under the same roof at an integrated border check post;

c) Message exchange between BIMSTEC countries' Customs IT systems;

d) Availability of facilitation to LTL (less-than truckload) shipments and not just to single-shipment full truckload or FTL cargo[13]; and

[12]Please refer to Appendix IV for greater detail on this aspect.

[13]As pointed earlier, less-than truckload cargoes are critical to smaller scale exporters/ traders/ manufacturers.

e) Smoother customs procedures: some of the essential features that need to be integrated into the customs protocol would be well defined transit procedures with online declaration. There is a definite requirement for a standard international transit manifest for BIMSTEC, whose form and content are agreed upon by the customs administrations of all countries.

Completing MIEC

India should seriously consider joining the "Mekong–India Economic Corridor (MIEC) project", which is another important connectivity project that aims to connect South Asia with Southeast Asia cutting across Thailand and Cambodia. This corridor aims to strengthen connectivity between South and Southeast Asia. The emphasis of the corridor is on expanding the manufacturing base and trade with the rest of the world, particularly with India.

Developing Short-Sea Shipping

The long-term sustainable development of a maritime market in the Bay of Bengal Region (BBR) will depend on the development of new short-sea shipping services that connect different Bay of Bengal ports with each other, and with major hubs such as Chennai and Colombo. For example, developing a Chennai-Krishnapatnam-Yangon-Dawei-Port Klang service would allow for the agglomeration of west-bound cargo from Southeast Asia in Krishnapatnam and Chennai, generating the volumes needed for the development of a greater number of Bay of Bengal coastal services, while also helping the growth of transshipment business in Indian hubs. Such new services can only be developed if the logistics business community is taken into confidence regarding the operational feasibility and support available for developing alternative service options to current models. Institutional supporters of BIMSTEC (such as the Asian Development Bank) could consider sponsoring trial runs for such new services and routes jointly with private sector stakeholders, such as shipping companies and freight forwarders, to test their feasibility while also identifying potential bottlenecks.

Regulatory hurdles that prevent the development of a BBR maritime market must be addressed. Progress has already been made in the form of the India-Bangladesh agreement on coastal shipping, which addresses concerns related to bilateral certification of coastal ships and a bilateral understanding of insurance coverage for such vessels, as well as berthing and cabotage rights. However, effective development of the BBR maritime market would require greater harmonisation, mutual recognition of rules, and further liberalisation. Key next steps include the following:

- Using the framework of the India-Bangladesh and Bangladesh-Myanmar Coastal shipping agreements, develop a Bay of Bengal Coastal Shipping Agreement and extend it to become a BIMSTEC Coastal Shipping Agreement
- Push for complete liberalisation of cabotage-related rules i.e., removal of all flag and country of origin restrictions for operation of coastal vessels owned or operated under lease by BIMSTEC based entities in short-sea shipping routes between Bay of Bengal ports in BIMSTEC countries. (Vested domestic interests in these countries might resist this. India needs to take the lead to convince regional partners of the welfare gains of such a policy reform for development of regional production networks.)

- Take the lead in pushing for a BIMSTEC Maritime Agreement with the long-term goal of developing a single BIMSTEC Maritime Market. The agreement should be comprehensive in the sense that it addresses issues of cabotage rights, certification of vessels, preferential rates of tariffs, taxation and fees, seafarers' rights, and insurance.

Negotiating New BIMSTEC Shipping Agreement

BIMSTEC countries may consider negotiating a Regional Coastal Shipping Agreement. India and Bangladesh and Bangladesh and Myanmar have bilateral agreements on coastal cargo shipment. It is easier to have a regional agreement drawing upon bilateral agreements. This coastal agreement would facilitate movement of cargoes as well as passengers in the region.

Besides, Inland Water Transport (IWT) is another area which holds high potential for cost effective transportation of goods in the region. To start with, the Ganga-Brahmaputra-Meghna-Irrawaddy river basins could be connected through cargo and passenger transportation. BIMSTEC countries may jointly conduct the feasibility of such IWT inter-linkages.

Strengthening Digital Connectivity

BIMSTEC should give high priority to digital connectivity in the region, particularly for bandwidth export and network sharing, etc., which would make ICT more accessible, affordable, inclusive, sustainable, and useful to remote and rural communities, entrepreneurs, and research and training institutes in all BIMSTEC countries. The telecom networks of Member States can be incentivised to offer concessional tariff for travelers moving between countries, which can be a small but very impactful step for business expansion.

Improving Air Connectivity

Improved air connectivity is a catalyst for promotion of tourism and services trade. BIMSTEC countries should expand air connectivity, particularly to link India's Northeast with Bangladesh, Myanmar and Thailand. BIMSTEC countries could form a working group of aviation ministries to design BIMSTEC Aviation Market and inter-linkages through passenger and cargo airlines.

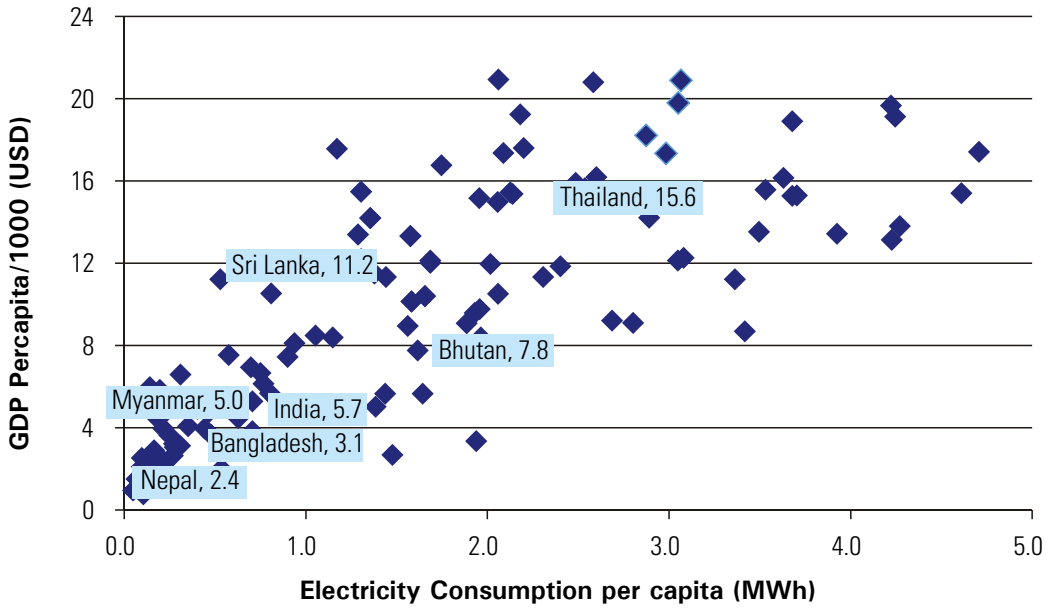
Designing a Connectivity Master Plan

With such a vast range of activities in physical connectivity areas, BIMSTEC countries may consider designing a connectivity master plan.

3. Energy

Energy connectivity is instrumental in accelerating economic growth in the BIMSTEC region. The extensively recognised linkage between energy endowment and economic development has impelled governments to develop ambitious strategies to escalate electricity access to the remotest parts of the region. Figure 1 indicates that high per capita GDP of countries exhibit high per capita energy consumption. Therefore, it is widely argued that economic transformation must be supported by transformation of the energy sector too.

Figure 1: GDP and Electricity Relationship



Source: World Bank (2017)

Some initiatives have been taken to secure deeper integration in the region for augmenting energy connectivity. In order to facilitate economic integration and energy connectivity, the Member States of BIMSTEC formulated the 'Plan of Action for Energy Cooperation in BIMSTEC' in 2005 under 'BIMSTEC Trans-Power Exchange and Development Project.'[14]

Presently, energy trade is limited to bilateral small-scale cross border transmission interconnections and cross border trading transactions between India and other BIMSTEC Member States. There are some key drivers for Cross Border Energy Trade (CBET) such as low per capita electricity consumption, electricity shortages, poor access to electricity, seasonal complementary.[15] Further, the region has significant potential of untapped energy resources, especially environment friendly hydropower, which has been distributed amongst the Himalayan countries such India, Bhutan, and Nepal; natural gas is distributed across the nation, whereas biomass is available in all the countries. All these untapped resources can be coupled with growing electricity demand and cross-border integration of the electricity systems to enhance energy connectivity in the region.

BIMSTEC region has shown tremendous economic growth in the last decade. Regardless of this impressive economic growth, the power sector has not grown in the region and each of the countries suffers from electricity outages and substandard quality of supply due to various

[14]The 'Plan of Action for Energy Cooperation in BIMSTEC' was formulated in the first BIMSTEC Energy Ministers' Conference held in New Delhi on October 4, 2005. In this plan, under the 'BIMSTEC Trans-Power Exchange and Development Project', it was decided that a Task Force led by Thailand, with representatives of member countries, will give a report on draft MoU for grid interconnections. http://pib.nic.in/newsite/PrintRelease.aspx?relid=160976

[15]Cross-border Electricity trade in South Asia: Key policy, regulatory issues/Challenges and the Way Forward (Jan, 2016)http://www.irade.org/Cross-Border%20Electricity%20Trade%20in%20South%20Asia-Key%20Policy,%20Regulatory%20Issues,Challenges%20and%20the%20Way%20Forward-Background%20Paper-%20Rajiv.pdf

reasons such as the sub-optimal utilisation of energy resources and insufficient investments in the sector. The existing power outages and growing import of non-renewable fuels inflict commercial danger to energy security to the region.

Energy security is critical for economic development. BIMSTEC is lagging behind other regions in sharing energy. All countries in the region suffer from less than stable and insufficient power supply. A regional grid would help smaller economies to benefit from their energy reserves. Regional cooperation under the BIMSTEC framework would be helpful in sharing energy between the surplus areas and the deficit areas. BIMSTEC should pursue stronger cooperation for sharing of energy in the region.

International experience of CBET in Southern Africa, Mekong sub-region and Europe suggests that there are four stages to regional energy connectivity and trade development. These are bilateral trade between neighbouring countries (Stage 1), regional bilateral trade via transit country (Stage 2), interconnections for multilateral cross border trade (Stage 3), and regional competitive multi-buyer and multi-seller market trade (Stage 4). At present, there has been bilateral trade between countries, and, hence, the region is in Stage 1 and transitioning towards Stage 2. This stage requires working with stakeholders to augment energy market activities to promote investment in the region. Presently, only India allows CBET through power exchange. Appendix V provides an overview of challenges and corresponding solutions.

Designing CBET Programme for BIMSTEC

From international experiences[16] on CBET, some indicators[17] have been identified for an effective CBET in the region, as below:

- Coordinated Legal and Regulatory Framework: It is the core building block for regional economic and energy cooperation. It can be used as an advisory body to regulators of the member countries.
- Robust Framework for Systems Planning and Operation: This is to ensure flexibility in maintaining multi-country institutional structure, while addressing individual and collective capabilities to plan and implement interconnection facilities. Further, harmonise grid codes by ensuring transparent and commercially viable cross border trading framework. For example, European Network of Transmission System Operators for Electricity (ENTSO-E) ensures security of interconnected electricity transmission network. Further, it provides a market platform to facilitate competitive and integrated trading along with ensuring sustainable operation of new energy sources.
- Commercial Framework for Energy Exchanges: This indicator will address financial challenges and distress and at the same time facilitate distribution of unswerving electricity supply at affordable cost.
- Regional Transmission Master Plan: This will help countries to assess their capacity addition plans and facilitate developers to identify their investment avenues. In addition, this will transform bilateral trading approach to CBET regime in the BIMSTEC region.

[16]Ibid
[17]Ibid

BIMSTEC Energy Grid

Hydropower potential of the mountainous Myanmar, Nepal and Bhutan regions, and India's Northeastern region offers opportunities to overcome these shortages in a sustainable manner if investments in hydropower can be realised and the necessary regional cooperation is put in place. BIMSTEC countries have completed negotiations for the Memorandum of Understanding (MoU) on the Establishment of the BIMSTEC Grid Interconnection. This needs to be signed quickly so that its implementation begins soon. BIMSTEC grid interconnection would help energy deficient areas in BIMSTEC to tap power from energy surplus parts of BIMSTEC. The energy grid would also help facilitate ASEAN-India energy grid linkages. Energy cooperation master plan for intra- and inter-regional energy grid links should be prepared. Regional initiatives such as the BIMSTEC Energy Grid should be promoted actively.

BIMSTEC Cooperation in Petroleum E&P

Energy security is a major challenge for all the countries in BIMSTEC. The group involves countries with low per capita energy consumption and with the growing economic prosperity per capita energy consumption of the countries and thus corresponding overall energy consumption of the region is expected to rise significantly in the upcoming years.

All the countries of the region, except Myanmar, are net importers of crude oil and gas. The Table 2 gives an overview of petroleum upstream sector.

Table 2: Overview of petroleum upstream sector in BIMSTEC

Country	Oil Reserves (mmbls)	Gas Reserves (Tcf)	Oil Production (Kbopd)	Gas Production (bcf/ yr)	Oil Consumption (Kbopd)	Gas Consumption (bcf/ yr)
Bangladesh	20	7.3	10	971	131	971
Bhutan	-	-	-	-	3	-
India	4700	43	856	975	4489	1770
Myanmar	30	42	9	668	~60	140
Nepal	-	-	-	-	32	-
Sri Lanka	-	-	-	-	103	-
Thailand	400	10.64	250	2.93	1382	1706

Source: Woodmac/ BP stats/ US eia

Demand of the group countries for crude oil far exceeds the production, and availability of the established reserves is not sufficient to meet the growing future demand. Although significant amounts of gas reserves are available in India, Myanmar, Thailand and Bangladesh, gas production of all countries, except Myanmar, is less than their consumption.

So, only Myanmar is a gas surplus country and all the countries in the region are crude oil importers. Some of the countries such as India, Myanmar and Bangladesh have recently given a push to exploration activities and there is a potential for large gas discoveries in the region. ONGC, PTT and Petrobangla are established E&P players in the region; they may collaborate for fruitful exploration activities.

Currently ONGC Videsh has eight projects in the region. Six out of eight projects are located in Myanmar of which one project – Block A1/A3 – is a gas producing project, with current production of about 500 mmscf per day. ONGC Videsh is a partner in two pipeline projects, namely Pipeco-1 and Pipeco-2. Pipeco-1 pipeline is being used for transportation of gas from Shwe Offshore Platform to land fall point at Ramree Island. Pipeco-2 is a trans-country gas pipeline from land fall point at Ramree Island to Ruilli at the Myanmar-China border. Another Indian public sector undertaking, GAIL, is also a partner in the A1/A3, Pipeco-1 and Pipeco-2 projects. ONGC Videsh is also operating in two onshore exploratory blocks in Myanmar, namely Block B-2 and EP-3. Indian companies Oil India Limited and Reliance too have exploratory blocks in Myanmar. ONGC Videsh and Oil India Limited are partners in two exploratory blocks in Bangladesh.

If exploration efforts in these blocks in Myanmar and Bangladesh succeed, it may give a big push to regional cooperation in energy sector and become a driving factor for establishment of a regional gas grid.

Currently, Chevron is the largest E&P player in Bangladesh with its production of more than 1 bcf per day of natural gas from Bibiyana and its sub-fields. In April 2017, Chevron announced its intention to exit Bangladesh by selling its Bangladeshi subsidiaries to a Chinese company. However, latest reports indicate that Chevron has stayed the decision to exit Bangladesh after discussions with Petrobangla. ONGC, being an established player and being best experienced and equipped to operate in the region, may be keen to have collaboration for Bibiyana and its subfields with Chevron and Petrobangla.

In Thailand, contracts for two of its major gas fields Bongkot and Contract Area 3 are going to expire in 2022 and 2023 respectively and auction for these two licenses were expected to be announced by end-2017. Depending on the commercial feasibility of further investments, regional enterprises may collaborate for operating in these contracts.

Bhutan, Nepal and Sri Lanka have not shown much potential in upstream petroleum sector so far; however, they are very valuable consumers of Indian petroleum products. Indian downstream companies may also look into BIMSTEC-wide cooperation opportunities to strengthen their footprints in the region.

BIMSTEC Renewable Energy Cooperation

Demand for power in all the BIMSTEC countries is growing at a high rate. BIMSTEC countries are strategically located with great potential for harnessing renewable energy resources such as Solar, Hydropower, and Wind. Nepal, Bhutan, the Himalayan regions of India and Myanmar have a high potential for hydropower generation. India, Bangladesh, Thailand, Sri Lanka and Myanmar have location advantage for generation of solar and wind energy.

Power demand in BIMSTEC countries is expected to continue growing at high rate in the next decade. Table 3 gives a snapshot of electricity demand forecast in the region by 2030, comparing to its current demand.

Table 3: Current and Future Electricity Demand in BIMSTEC

	Current Electricity Demand (MW)	Electricity Demand 2030 (MW)
Bangladesh	~13000	~34000 [1]
Bhutan	~300[2]	-
India	~300000	~1100000[3]
Myanmar	~2500	~14500[4]
Nepal	~4000	~25000[5]
Sri Lanka	~4000	~8000[6]
Thailand	~28000	~44500[7]

Source: Research by the Core Group

With the exception of Myanmar, other countries in the region are not rich in oil and gas resources. They have coal which evokes severe environmental and efficiency concerns. Considering the environmental challenges in the region and rapidly improving technology and the reducing cost of renewable resources, it would be prudent for BIMSTEC countries to focus on harnessing their renewable energy resources.

India, Sri Lanka and Thailand have set for themselves ambitious plans for mobilisation of renewable energy resources. India is planning to generate about 175 GW of electricity by 2022 through renewable resources out of which 100 GW is planned from solar and 60 GW is planned from wind energy. Sri Lanka is planning for 100 per cent electricity generation through renewables by 2050. A recent study by ADB and UNDP suggests that by 2050 Sri Lanka's electricity demand will increase to more than nine times, from about 3700 MW in 2016 to about 34300 MW by 2050. But at the same time solar and wind energy sources can potentially fulfill about 16438 MW and 15155 MW respectively by 2050, thus meeting most of the future electricity demand of the country. Thailand targets to meet 40 per cent of its total energy mix by 2036 from renewable resources.

India has shown tremendous growth in renewables in recent years, achieving annual installation of about 5500 MW each of solar and wind energy in Fiscal Year 2016-17. Other countries of the region may significantly gain from the expertise India has developed in renewable energy projects.

Out of the BIMSTEC countries, only India and Bangladesh have signed and ratified the Framework Agreement for International Solar Alliance (ISA). Sri Lanka, Thailand, Myanmar are in the prospective members' list, but they are yet to sign the agreement. Considering great potential for solar energy development in the region, it will be mutually beneficial for all members of BIMSTEC to join the ISA.

Renewables are going through a revolutionary phase. There is considerable scope of cooperation among the BIMSTEC countries to resolve their energy security problems and sustainable development of the region. To initiate with, the following areas of cooperation may be considered under the umbrella of BIMSTEC:

1. Joint research and development for promotion of renewable energy resources,
2. Joint venture projects for development of renewable energy,

3. Establishment of technology centers for promotion of the renewable energy resources,
4. Region wide grid interconnection for sharing of power,
5. Sharing best practices in development and operations of renewable energy resources, and
6. Mobilization of financial resources for reducing cost and promotion of the renewable energy resources.

Member States should consider forming the BIMSTEC Solar Grid since the region enjoys benefits in terms of its geography. Wind power is another potential area for cooperation.

BIMSTEC Fuel Technology Cooperation

Considering the energy and environmental challenges in the region, BIMSTEC countries may also cooperate for promotion of fuel cell technology. In this regard, the following areas of cooperation may be considered:

1. Providing support to research and development in fuel cell technology by involving institutions in the BIMSTEC countries and providing the required financial support,
2. Initiating pilot projects based on fuel cell technology,
3. Providing the viability gap funding for private sector projects of fuel cell technology,
4. Government-Industry collaboration for promotion of this technology.

4. Disaster Management

BIMSTEC countries are prone to natural disasters such as floods, cyclones, earthquakes, avalanches and droughts. During the First BIMSTEC Summit, India proposed cooperation in information sharing on Remote Sensing for the purpose of agricultural, environmental, and catastrophe management. Additionally, India put forward a plan and subsequently established the BIMSTEC Centre for Weather and Climate as an inter-institutional activity at the National Centre for Medium Range Weather Forecasting (NCMRWF) for enhancing regional cooperation on forecast information, early warning of hazards, capacity building and observing systems. The Centre has been working since August 2004.[18] India has been at the forefront by hosting the South Asian Annual Disaster Management Exercise (SAADMEx) and the Asian Ministerial Conference for Disaster Risk Reduction (AMCDRR). India has also offered its expertise and capabilities such as the South Asia satellite, GSAT-9, and the Tsunami Early Warning Centre to other countries.

India arranged the Workshop on Geo-informatics Application in Disaster Management on 12-16 November 2007, New Delhi. The BIMSTEC DMEx-2017 was conducted in two phases in Delhi and NCR. The main exercise comprised the Table Top Exercise (TTX), Field Training Exercise (FTX) and After Action Review (AAR), which was held from October 10-13, 2017. Earlier, the first phase comprising a Preparatory Meeting and field visit of site selected for FTX during the main exercise was executed in Delhi NCR on August 8-9, 2017.

[18]Environment & Disaster Management Brief in BIMSTEC accessed at http://bimstec.org/sectors/environment-disaster-management/

India hosted the First Annual BIMSTEC Disaster Management Exercise from 10-13 October 2017 in New Delhi. The Exercise resulted from the discussions at the BIMSTEC Leaders' Retreat in Goa in October 2016, and was designed to secure closer cooperation in disaster management through joint exercises. The main focus of the BIMSTEC DMEx-2017 (Disaster Management Exercise) was to test the region's preparedness and resilience towards effective activation of inter-governmental dialogue/agreements for immediate deployment of regional resources for disaster response.

The exercise helped strengthen the effective utilisation of the Search & Rescue Teams for Disaster Relief and Emergency Response, including Emergency Rapid Assessment Teams and management of mass casualties, especially in situations involving breakdown of infrastructure and communication. The main purpose of the Exercise, conducted by the National Disaster Response Force (NDRF) as the lead agency, was to create synergy and synchronise efforts to institutionalize regional cooperation and inter-governmental coordination efforts on disaster response among Member States.[19]

Following the successful holding of the Exercise, a publication would be brought out on the outcomes and recommendations of the Joint Exercise and include an agreement among BIMSTEC nations on regional cooperation for Disaster Management and Emergency Response.[20] This would be presented to the next BIMSTEC Summit.

Addressing the BIMSTEC Disaster Management Exercise, Mr. Rajnath Singh,[21] India's Home Minister, stated that over a period of time Member States needed to use exercises to develop a pool of BIMSTEC disaster responders spread across all participating nations. These building blocks would ensure that when the need arose, an effective response can be mobilized to help each other in a timely manner. He expressed his conviction that BIMSTEC nations needed to join hands to mitigate disasters since they faced the problem of floods on a regular basis. BIMSTEC Secretary General, M Shahidul Islam, speaking at the Exercise, said that disaster management was of high priority because the Bay of Bengal region is one of the most disaster-prone areas of the world and witnessed many disasters in the recent past. During the period 1996–2015, the BIMSTEC countries lost 317,000 lives to disasters. In these disasters more than 16 million people in BIMSTEC countries lost their homes and economic losses were also high and escalating.

It was estimated that in terms of the number of extreme weather events – floods, droughts, heat waves and cyclones – the future is not going to be better and the frequency and intensity of such events are likely to rise in view of climate change. Hence improved disaster preparedness is a corner stone of this effort and in this direction all the BIMSTEC nations have made significant progress over the last two decades. The cyclone preparedness programme of Bangladesh is recognised as a global best practice. The last mile connectivity of Tsunami early warning system in Thailand has significantly improved preparedness in coastal areas.

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[19]MEA Press Release First Annual BIMSTEC Disaster Management Exercise, New Delhi (October 10-13, 2017) accessed at http://mea.gov.in/press-releases.htm?dtl/29012/First+Annual+BIMSTEC+Disaster+Management+Exercise+New+Delhi+October+1013+2017

[20]Press Release on India to conduct the First 'BIMSTEC Disaster Management Exercise- 2017' from October 10-13 accessed at http://pib.nic.in/newsite/PrintRelease.aspx?relid=170930

[21]Shri Rajnath Singh inaugurates the First BIMSTEC Disaster Management Exercise, Press Release accessed at http://pib.nic.in/newsite/PrintRelease.aspx?relid=171556

The government has reiterated India's commitment to stand shoulder to shoulder with other BIMSTEC nations in achieving its common goals in reducing disaster-related losses and exploring all possible avenues of collaboration. India has established the Tsunami Early Warning System for the Indian Ocean Rim Countries. Its National Disaster Response Force has been deployed in other affected countries for response operations. Cooperation with IORA on disaster management will further strengthen the disaster management preparedness.[22]

5. Tourism

Placing greater focus on intra-regional tourism by leveraging the innate advantage of demographics in the region can go a long way to facilitate a better understanding among the peoples of the BIMSTEC region, thereby increasing the 'trust quotient'. This can also help in increasing the ease of doing business by building familiarity. Innovative tourism products such as Buddhist and Hindu pilgrimage tourism, educational tourism, health or medical and wellness tourism, community and tribal tourism, river tourism, crafts tourism, literary festivals, river to ocean trails, and history trails will also contribute towards inclusive development of the region, and promote livelihood generation in remote rural areas. Sharing of best practices, common training programs and uniformity of standards within the BIMSTEC region can unleash a common ecosystem of industries, strengthening the impulse for regional integration.

The BIMSTEC leaders acknowledged the civilizational, historical and cultural linkages in the region and recognised the rich potential for development of tourism. They showed keen interest in taking concrete steps to promote intra-BIMSTEC tourism, including specialized tourist circuits and eco-tourism. In particular, they encouraged the development of Buddhist Tourist Circuit and Temple Tourist Circuit within the region.[23]

BIMSTEC nations have the legacy of Buddha connected to them in multiple ways. Thailand, Myanmar, Bhutan and Sri Lanka have a majority of their peoples following Buddhism, whereas Nepal and India have Catumahasthana, the four great places (of birth, enlightenment, sermon and mahaparinirvana) related to the life of Lord Buddha.[24] Bangladesh has the world heritage site dedicated to Buddha known as Prathapura. Every Buddhist in the world has a dream: to visit the places where Buddha was born, achieved enlightenment, delivered the first sermon and attained Mahaparinirvana. Buddhist tourist circuit will promote this sector tremendously.

One of the primary factors constraining the smooth flow of tourism in the region is the lack of adequate air connectivity. Civil aviation authorities and airlines should bring about a dramatic expansion of flights and requisite facilities in order to connect the remote parts of the BIMSTEC region, particularly major cities in the Northeast with places in Myanmar and Thailand.

The region has an inherent potential to strengthen tourism ties through cooperation and integration. In the past, various Roundtables and Workshops of Tourism Ministers have been held. In 2008, the Kathmandu Declaration on Tourism Cooperation and the Plan of Action were

[22]For further details on BIMSTEC-IORA cooperation, please refer De, Prabir (2017) "Ways to Strengthen Cooperation between BIMSTEC and IORA", in Yogendra Kumar (ed.) Whither Indian Ocean Maritime Order? Contributions to a Seminar on Narendra Modi's SAGAR Speech, Knowledge World, New Delhi

[23]BIMSTEC Leaders' Retreat 2016 Outcome Document accessed at http://pib.nic.in/newsite/PrintRelease.aspx?relid=151717

[24]Buddhist Circuit accessed at http://www.buddhistcircuits.com/why_bimstec.htm

adopted. In August 2017, the Joint Statement of the 15th BIMSTEC Ministerial Meeting reflected the agreement to constitute an Ad-hoc Expert Group to establish the BIMSTEC Buddhist Tourist Circuit and Temple Tourist Circuit in the region.

The Government of India convened the first meeting of the BIMSTEC Network of Tour Operators in New Delhi on 7 July 2017 and agreed to expeditiously implement its recommendations. Extensive deliberations were held regarding the ways and means for promotion of tourism within the Bay of Bengal region. The meeting concluded with the Member States agreeing to work jointly on identified common measures for the promotion of tourism.[25]

In August 2017, the Joint Statement of the 15th BIMSTEC Ministerial Meeting reflected the agreement to constitute an Ad-hoc Expert Group to establish the BIMSTEC Buddhist Tourist Circuit and Temple Tourist Circuit in the region. It was agreed to establish the BIMSTEC Tourism Fund and support the offer of Bangladesh to host the Third BIMSTEC Tourism Ministers' Round Table.[26] BIMSTEC has decided to set up the Tourism Fund with the seed money of US$ 10,000 from each country and the Tourism Working Group will be managing the fund.[27]

The efforts undertaken by India to lead this priority sector of tourism have been fruitful. For future initiatives, the Ministry of Tourism and Culture can work in tandem with the World Tourism Organisation (UNWTO) where the Regional Programme for Asia and the Pacific is the World Tourism Organization's operational arm assigned with the implementation of UNWTO's general programme of work within the region. The Regional Programme for Asia and the Pacific also serves as UNWTO's direct channel through which national, regional and local tourism development needs and concerns of the Member States are communicated to the Secretariat.[28]

Moreover, sustainable tourism is increasingly relevant in national agendas for its role in fostering economic growth, social inclusiveness and the protection of cultural and natural assets.[29] This is now recognised at the highest international level, with the UN General Assembly having adopted several resolutions acknowledging the role of tourism in sustainable development, including the 2030 Agenda and its Sustainable Development Goals (SDGs).[30]

In the specific context of BIMSTEC, a number of promotional measures should be considered as below.

Strengthening Buddhism Connect

Buddhism binds the people of BIMSTEC. While India does receive Buddhist tourists, the number still remains at a very moderate level. There is tremendous scope to improve this sector. It is

[25]The First Meeting of BIMSTEC Network of Tour Operators (BNTO) accessed at http://bimstec.org/event/the-first-meeting-of-bimstec-network-of-tour-operators-bnto/

[26]Joint Statement of the 15th BIMSTEC Ministerial Meeting (August 11, 2017) accessed at http://www.mea.gov.in/bilateral-documents.htm?dtl/28862/Joint+Statement+of+the+15th+BIMSTEC+Ministerial+Meeting+August+11+2017

[27]Tourism accessed at http://bimstec.org/sectors/tourism/

[28]Regional Programme for Asia & the Pacific accessed at http://asiapacific.unwto.org/content/about-regional-programme-asia-pacific

[29]6th International Conference on Tourism Statistics: Measuring Sustainable Tourism accessed at http://statistics.unwto.org/mstconference

[30]Ibid

easily achievable through improvement in the travel and accommodation services. The formal sector of tourism is barely engaged in the process and whatever is being undertaken is through informal and individual efforts. Buddhist tourism is one of the least developed sectors in India. Simple procedures can be adopted to provide greater access to more Buddhist heritage sites and make a Buddhist heritage tour encompassing religion, culture, education and recreation.

Use of e-Visa

Easier visa regime, including reduction in paper work and simplified procedures, is the first step toward increasing tourist flows. Although visa procedures have been streamlined in recent years, measures to provide for other complementary amenities such as e-Visa will facilitate a larger number of people to benefit from them. The facilities of visas at borders and at other locations need to be increased for greater movement of Buddhist and religious tourists. Simplified e-visa service will increase the number of tourists greatly. Access points from Northeast India should be made more people-friendly. Travel permits to Northeast need to be linked to any government ID. The existing mechanism is rather antiquated and not travel-friendly. The BIMSTEC Secretariat website should have all the information required.

Promoting Medical Tourism

Medical tourism has high business potential in BIMSTEC. Thailand and India are the major hubs of medical tourism at affordable prices. While medical camps have taken quality services to different parts of India, similar collaboration with BIMSTEC members to take quality medical facilities especially to the inland areas would be mutually beneficial. Myanmar and Bangladesh are critical for India's connect with the other BIMSTEC Member States. Guwahati and Imphal are fast becoming medical tourism and wellness hubs, closer to Myanmar and Bangladesh.

Tourism through Festivals

Tourism may be developed as a key enabler for economic development, cultural understanding and expansion of people-to-people exchanges. Existing platforms such as Hornbill Festival of Nagaland, Sangai and Orange Festivals of Manipur and others may be utilised to promote common identity and cooperation as well as to showcase local cultures to Indian and foreign audiences.

Promoting Budget Hotels

Promotion of tourism through affordable and decent accommodation in the region is an essential component. Budget accommodation in BIMSTEC, particularly in smaller cities, would help bring tourism to all parts of BIMSTEC countries.

Setting up BIMSTEC Airlines Group

One of the prime factors constraining the smooth flow of tourism in the region is the lack of adequate air connectivity among the Member States. Airlines can connect the inland parts of BIMSTEC. India may allow the operation of smaller flights connecting the Northeast with the neighbouring countries (such as between Guwahati, Dhaka and Yangon; or between Imphal, Mandalay and Yangon; or between Delhi, Yangon and Bangkok; or Mumbai, Colombo and Yangon, etc.) The Member States could consider the introduction of regular dialogues among BIMSTEC transport officials for setting up a BIMSTEC Airlines Group.

Suggestions from Tourism Industry

The FICCI Secretariat was able to secure the following suggestions from its tourism entrepreneurs and experts:

1. Direct air connectivity to Gaya or Varanasi from BIMSTEC countries
2. Domestic connectivity between Kolkata and Gaya
3. Domestic connectivity between Gaya/Kushinagar, Kushinagar/Varanasi, Kushinagar/Sravasti, Lucknow/Sravasti under the UDAN scheme.
4. Hold regular road shows in the BIMSTEC Countries to showcase facilities and products of Buddhist Pilgrimage sites.
5. To train local manpower to work in the Hospitality/Tourism sector. Also train language-speaking escorts/guides
6. To keep proper hygiene/cleanliness at all the Buddhist pilgrimage sites.
7. To create world class way-side facilities among all Buddhist pilgrimage sites. This can be developed easily with the help of existing petrol pumps on the way, by giving them adequate monetary incentives.
8. The industry welcomed observations made by Jayant Sinha, minister of state for civil aviation, at the special event hosted by the India Foundation and FICCI in June 2017 where he aptly portrayed the UDAN scheme as a key component of the National Civil Aviation Policy, launched by the government in June 2016. Its central focus has been on regional airport development and connectivity and making air travel affordable. In order to make the Bay of Bengal as the real power centre of the region, the BIMSTEC countries would need to work together and profit from India's Open Skies policy.

6. People-to-People Contacts

Regional integration can be sustained when the countries concerned have strong people-to-people contacts. These contacts continue to be an important pillar of BIMSTEC today, and we should aim to expand them through various initiatives such as the exchange of artists, students, journalists, farmers and parliamentarians as well as think tank and civil society activities. As connectivity expands, so will the people-to-people exchanges along the border.

Education Sector

The institutes of higher learning especially Indian engineering and technology, software development, management schools and medical colleges are established names globally, making India the destination for many foreign students to access quality education at comparative rates. But given the limited number of available seats and the stringent requirements to qualify, it is impossible to accommodate all students, especially from outside the country. There are several ways to address the issue.

Collaboration with universities and education centres across the regions would benefit a larger number of students. Collaborations can happen in various ways. The private sector has come to

play an important role in this sector and while some opened similar institutes abroad, the numbers are small. BIMSTEC youth would benefit from future collaboration in the region. Sharing course credits with comparable curriculum has been achieved elsewhere; there is no reason why this possibility cannot be examined.

Despite the diversity of languages, English is broadly the common language at the higher levels of education in many of the Member States. This introduces flexibility that not only Indian students can benefit from, but it also allows students from abroad to access and profit from a variety of academic institutions in the region. In today's wired world encouraging easy mobility amongst youth groups becomes necessary for nation building. The courses could range from vocational training to subjects of arts and sciences.

Distance education has been well established within India. The Indian apparatus that exists can be expanded to include greater geographical and subject bandwidth for imparting quality education far and wide. Transmission of distance education can be in a variety of languages as needed by the Member Countries. Given Indian technological advancement, distance education can reach out to different audiences with varying needs.

Common certifications are another area that other regional groups have successfully implemented. This is very effective for vocational courses including common areas like tourism, culinary, yoga, etc. An entrepreneurial culture can thus be encouraged through concerted efforts by both state and civil society organisations.

The proposal to establish a BIMSTEC University was considered carefully. While this may be a good goal for later years, the immediate need is to create new institutions of technical education in the Northeast where students from neighbouring countries too could be admitted. The other positive idea is to establish networking among existing (and new) institutions of higher learning in order to enhance their benefits.

Further, annual BIMSTEC youth festivals can offer an effective and quick interactive space for engaging the young imaginations. Young minds need to be open to the cultural kaleidoscope that the BIMSTEC region offers. In our transition to knowledge-based economies, these are imperatives that need much greater focus than they receive presently.

BIMSTEC countries suffer from skill shortages, particularly in higher skill segment. To support the growth process, skill development is utmost important. India has introduced Skill India programme. BIMSTEC countries may consider regional skill development programme in areas like tourism, culinary, yoga, etc. Common certifications in vocational courses including tourism will strengthen the participation of stakeholders.

Towards Border Community Zones

By and large, youth from heartland and urban spaces have access to quality education, but children from rural economy and border zones are unable to access the same. Indeed to provide people living in the border zones a better life and greater stakes in the creation of wealth and resources, they need to be provided with greater access to opportunities. Border areas in most Member States are at the same level of development. Poor infrastructural facilities, given limited available resources, impede the opportunities available. But these are the very areas which can be tapped for creation of common physical spaces for nurturing of cultural and natural heritage.

Conceiving border community zones for an outreach to population at the borders can address the huge gaps that remain between the urban and non-urban population in most of the Member States of BIMSTEC. A shared border community centre given the existing commonality can transform the nature of lives on each side.

The social and economic environment on both sides of borders is often similar; so are the livelihood patterns, the available educational opportunities and even cultural practices. Thus creating an interactive space for building a common knowledge system through interaction and exchange with the local population on each side can not only provide basic amenities, but can also de-securitise the border zones to a large extent. The space would be readily available for issues of climate change and its prevention and mitigation, agricultural methods, simple vocational training and issues that are common and beneficial to all. Trans-border community living has to be incubated for creating connected minds and hearts.

At present the localised border haats on a few of the Indo-Bangladeshi borders have gathered momentum providing direct contact between buyers and sellers. The haats have generated a specific economic activity and have opened up avenues for social interaction. Although this space is yet to be fully explored, the cultural and social connect is undeniable. Indeed it is not uncommon to have fields and unused land available at borders which are not fully utilised. Border haats usually held in the open space have some limited infrastructure available usually meant for security agencies. To begin with, border community zones built with shared resources for common good need exploration. Apart from the limited economic activity that the haats provide, they can be developed as a space for a variety of people-to-people engagements. Ranging from cultural interaction during fixed hours, they can also include medical facilities since the same are often not available easily in these border areas.

Further to social and economic activities getting traction, the possibility of developing a common school curriculum for children may be explored. Differences in languages would have to be bridged through a deeper understanding of the mutual needs on both sides.

While the security concerns need to be covered through issuance of biometric identity cards and a full mapping of the population, the development of border zones that become an interactive space rather than a dividing line will enable creation of an integrated economy and stable friendly neighbourhood.

The existing market at Moreh-Tamu on the Indo-Myanmar border holds much potential to bring greater buyer and seller interaction and activity from local production chains rather than serving as a platform for Chinese goods that flood the region through this route. A concerted effort is required to provide the population with goods that are in demand replacing the limited list that is officially allowed at present. Encouraging local investments for local production has to be explored.

People Mobility and Movement

International migration continues to be an issue of concern for both countries of origin and host states. This region also has a thriving informal labour movement. While governments are reluctant to admit and resolve the issue of informal labour mobility given the associated issues of human security, state intervention along with civil society support can address this issue. Search for equitable solutions which will benefit both the demand and supply side will move the states

towards the creation of a non-securitised atmosphere. People's lives and their welfare constitute an integral element of any migration and population movement that will remain the core of any people-to-people connect. While most states within the region have some mechanism in place for movement of professionals, limited institutional arrangement exists for movement of blue collar workers. Regional cooperation to be effective needs to establish common standards to protect the rights of migrant population.

'Third Space'

While bilateral relations between all BIMSTEC countries are generally positive, there is a trust deficit and ground level concerns (e.g. influx, security, etc), especially in some of the border regions such as those in India's Northeast, Bangladesh, Nepal and Myanmar. New institutional and systemic architectures are needed to evolve ground-up mechanisms to meet the regional vision of BIMSTEC. The role of empowering the 'Third Space' – beyond the first two of spaces of government and business – needs to be given its due importance to foster organic bottom-up collaborations and linkages. For example, the full potential of the new platform of 'Nadi Festival' created by the Asian Confluence should be harnessed.

Media

Media, a critical but isolated sector, can be made an effective vehicle for reaching out across borders. While the media may often not be seen in positive light, their freedom to take positions necessarily needs nurturing. Progress can never be made without the ability to express and healthy respect for varied opinions and ideas. Improved interaction leading to greater access to information will create a larger perspective that often the media lacks. The focus on negative news can be only broken through determined effort from all sides. An enabling atmosphere will yield to responsible reportage and respect for each other's concerns, especially in the wake of circulation of 'fake' news. Media's role to connect people and government is tremendous and in the modern world it has the ability to influence people within national borders and beyond. India invites media from its neighbours periodically, but it has not led to any sustained interaction.

Moving beyond the government organised media tours, the media houses can be encouraged and assisted to reach out to its brethren from across the Member States. Dialogue as well as institutional links between media organisations of India and the neighbouring countries should be established. The recent example of the Press Council of India signing an MoU on cooperation with the Press Council of Myanmar is worthy of emulation. The goal should be to exchange information, experience and knowledge pertaining to the highest standards of journalism that promotes peaceful and cooperative relations among the countries of the region.

Cinema

High interest exists in Bangladesh, Myanmar, Thailand and other neighbouring countries in the offerings of Bollywood. Indian films, screen idols, artistes, musicians and singers are hugely popular in the region. This factor may be utilised optimally to deepen awareness about the changing face of India and strengthen friendly links at the people's level.

Cultural Cooperation

Culture is one of the priority areas of BIMSTEC. The grouping has set up the BIMSTEC Cultural Industries Observatory in Bhutan. At present, several cultural projects are underway. However, there is high scope to strengthen cultural relations in BIMSTEC through media, sports, education, cultural programmes, films, music, etc. The first BIMSTEC Film Festival was held in July 2017 in Dhaka.

There are several other aspects of culture which can have a greater reach out to people ranging from collaborations of films, both fiction and documentary. Collaborations within civil society organisations and similar institutes and academies can establish common research and common documentations and other activities. In the digital world, many of these initiatives can be established through very modest financial commitment, but they would lead to intensive interaction at various levels. As displayed in the established ASEAN regional research network, this has the ability to gather momentum to connect people through minimum efforts.

Most of the Member States have some inspiring museums archiving their history and heritage. As popular places of interaction, the connect both through human and other resources has huge potential to adapt best practices and share the same. In India museums, while being treasure troves, are rather static; the growing interactive spaces in museums will be a learning process for all engaged in the process.

India has supported Cambodia in setting up MGC Museum of Asian Textiles in Siem Reap, Cambodia, which offers rich lessons to strengthen cultural relations. BIMSTEC Member States may consider setting up a Network of Museums of BIMSTEC countries.

Additional Ideas

Several additional measures could be considered to deepen people-to-people contacts, as listed below:

1. Publication of BIMSTEC Data Handbook: Detailed information of all the member countries of BIMSTEC with the available facilities and actual movement and interaction of people will be required to initiate people-to-people connectivity. Each designated think tank of the grouping may be tasked with data for one or two designated sector data. The BIMSTEC Data Handbook that is updated every few years will be useful guide to all stakeholders public and private.
2. The research/news BIMSTEC website, with a dedicated editor linked with the Secretariat, should publish periodic inputs from the members, civil society, academics including the media houses co-opted in the BIMSTEC forum.
3. The BIMSTEC Facebook page may be widened for such interactive space.
4. A BIMSTEC Sports Forum should be created, which encourages initiatives such as Manipur-Myanmar women's football tournaments as well as trans-border cooperation in other sports.
5. BIMSTEC Literary Festivals may be started within the popular ongoing literary festivals in different parts of India, including one in the Northeast.

7. Blue Economy and Mountain Economy

The BIMSTEC has unique opportunities of development by virtue of being connected by mountains, rivers and sea. Several Member States are connected by the Bay of Bengal, which has been the central point of connect for trade, commerce and culture for centuries. It is the gateway to the Indian Ocean for most of the BIMSTEC countries. Nepal, Bhutan and India have large geography covered by mountains. Hence the potential of Blue Economy and Mountain Economy needs to be exploited optimally.

Blue Economy

The Bay of Bengal is richly endowed with Blue Economy resources such as oil and gas, other mineral resources and huge marine resources like fish. About 31 per cent of the world's coastal fishermen live and work in the region; the average fish catch is two million tons per annum.

India attaches a high degree of importance to the development of Blue Economy. Apart from a series of initiatives taken by the government, India Inc has become deeply aware of potential opportunities owing to the innovative decision by FICCI to commission the production of a special study entitled Blue Economy Vision 2025, a Knowledge Paper by FICCI Task Force, issued in April 2017.

The Bay of Bengal is the ''third neighbour' for Bangladesh (after India and Myanmar), which has given to the country its special geopolitical importance. Bangladesh is perhaps the most vocal country in South Asia about Blue Economy. In 2014, it proposed the Bay of Bengal Partnership for Blue Economy for inclusive and people-centric sustainable development of sea-based resources. The Blue Economy is high on its national economic agenda as nearly 30 million people in Bangladesh are dependent on the sea for livelihood, and are engaged in fishing and commercial transportation. It has instituted several measures, including setting up a research institute for study of marine science and oceanography for the sustainable development of resources. The 7th Five-Year Plan (2016-20) has underlined the importance of the Blue Economy in the overall socio-economic development, and has identified specific projects for sustainable growth in fisheries, especially improved aquaculture, mariculture, deep-sea fishing, renewable energy, maritime industry, including ship and boat building, eco-tourism, maintenance of inland waterways, and capacity building, including the setting up of a marine academy.

Sri Lanka has been paying close attention to developing Blue Economy opportunities. It has set up a National Ocean Affairs Committee in the Ministry of Environment which functions directly under the President. Sri Lanka has identified a series of priorities for green development, embedding the blue aspect as its important component.

With over 42,000 active fishing vessels and the export of sea-food exceeding 1.7 million tonnes (valued at over US$ 6.7 billion), Thailand is an important global player in fisheries. This sector provides employment for close to 700,000 workers. Thailand accords high importance to sustainable business practices under its philosophy of 'Sufficiency Economy' which calls for reasonable growth without jeopardising the rights of future generations. The country, therefore, places high priority on promoting clean energy, green technologies and business practices.

With over 2800 km coastline, Myanmar has huge fish resources and fisheries contribute 3.5 per cent of the GDP. Fish provides 40 per cent of protein needs of its people. For Bhutan and Nepal, two landlocked countries, sustainable exploration and management of ocean resources carries much significance too.

To leverage Blue Economy opportunities in BIMSTEC, the following set of broad recommendations merits consideration:

- The Earth's resources are limited, while the needs of humankind – and the world population itself – are on the rise. It is, therefore, imperative to plan on maximising the utilisation and harnessing of oceanic resources. However, this should be done in a thoughtful, essentially Gandhian manner, ensuring an optimal focus on sustainable development. In practice, this amounts to according equitable priority attention to three key elements, namely Growth, Employment and Protection of Environment. This tripod may be used as a broad yardstick, with each project judged for ensuring sustainability. For this purpose, a high priority may need to be given to ecological protection and economic democracy.
- Another fundamental consideration should be to balance the requirements of optimisation of business potential with the needs and interests of local, particularly coastal, communities.
- It is essential to adopt a holistic strategy anchored in Public Private Partnership (PPP). It should be designed to accelerate growth, while ensuring sustainable development.
- Both the national and international dimensions of Blue Economy are inextricably linked. This inter-linkage should be kept in view constantly.
- The government needs to develop a National Ocean Policy, after ample consultations with the coastal maritime states and other stakeholders. A specific policy framework for engagement with the Blue Economy should be crafted. Without clear policies and incentives, desired actions by business may not take place. To motivate the business community, preferential trade mechanisms such as service tax exemption for select IORA countries could be considered.
- Blue Economy projects should be designed to adhere to climate change standards and guidelines suggested by the World Bank and other agencies.
- As the Blue Economy is a new frontier, it is essential to disseminate awareness by embedding this concept into the education and training system, especially at schools and colleges.
- Inland waterways should generally be considered as part of Blue Economy policy process.

Mountain Economy

Mountains represent an economic asset for BIMSTEC Member States, especially India, Nepal and Bhutan which have a large portion of their lands covered by mountains and forests. Chapter 13 of Agenda 21 titled 'Managing Fragile Ecosystems: Sustainable Mountain Development', presented at the 1992 United Nations Conference on Environment and Development (UNCED),

acknowledged the Mountain Economy with bounty of natural resources as having significant economic value. The Mountain Forum report to UNCED, 1995 states: "For more than one billion people, mountains are sacred places. Mountains are also becoming recreational refuges from crowded cities for the tourist elite." Forested watersheds provide drinkable water and commercially viable forest products. They help in erosion control, tourism opportunities, fresh and healthy air.

There are some technical challenges when it comes to harnessing mountain resources. This needs innovative solutions. Nepal tabled a proposal on mountain economy at the 15th BIMSTEC Ministerial Meeting in Kathmandu. It plans to host an experts' meeting in the near future.

Some of the identified recommendations are given below:

- Property rights: There is a need for greater transparency to give legal rights to manage, use or own mountain property or resources. Community forest user groups in Makalu-Barun Conservation Area, Nepal has set a nice example for managing mountain resources. There is a need to simplify transferable development rights, sale or donation.
- Legal rights to use water resources are often restricted. They need to be made easy and simple.
- User fees and Taxes: In order to generate revenue, there can be some rationality in different charges including royalties, entrance fees, tour operator fees, hunting and fishing fees, environmental taxes, etc. for different rights of using marine resources. Nepal provides excellent example in these areas.
- Marketing Strategies: BIMSTEC can have regional trademark to secure rights for production and sale of quality and locally produced foodstuffs; promote use of Green marketing tools; foster MSMEs; promote cooperatives and microfinance to boost entrepreneurial ecosystem and enable local communities to generate high economic value for their biological diversity.
- Investments: New mechanisms should be in put place to bring investment. This can be from diverse sources including foreign aid, public funds, private sector investment and local trust funds amongst many others. The Bhutan Trust Fund for Environmental Conservation is a prime example of the same. Participation of the private sector can bring fresh funds, innovation and dynamism in the way the Mountain Economy is explored.



VI. PERCEPTION SURVEY

VI



Perception Survey

The survey captures the perception of members of corporate India, representatives from academia and officials of governments of BIMSTEC Member States. Respondents included Indian Industry, officers from embassies and high commissions of BIMSTEC countries in India as well as FICCI's MoU partners and other countries which have significant engagement with BIMSTEC.

Respondents to this online survey have business in diverse sectors such as energy, oil and gas, pharmaceuticals, automotive, manufacturing, plastics, chemicals, consulting services, infrastructure & construction, engineering, IT and technology, healthcare, agriculture products, mining, minerals and services.

Methodology

1. The perception survey was conducted during September-December 2017.
2. The questionnaire distributed to respondents was divided into five sections: Economic Relations, Ease of Doing Business, Connectivity, Policy Advocacy, Sustainability and Development.
3. The survey was also made available online for the ease of completion.
4. Respondents were offered multiple choices and space for recommendations and suggestions under each section.
5. Responses were then analysed section-wise and a broad analysis for key research questions was evolved from this.

In keeping with the structure of the questionnaire, this report is accordingly divided into five sections -

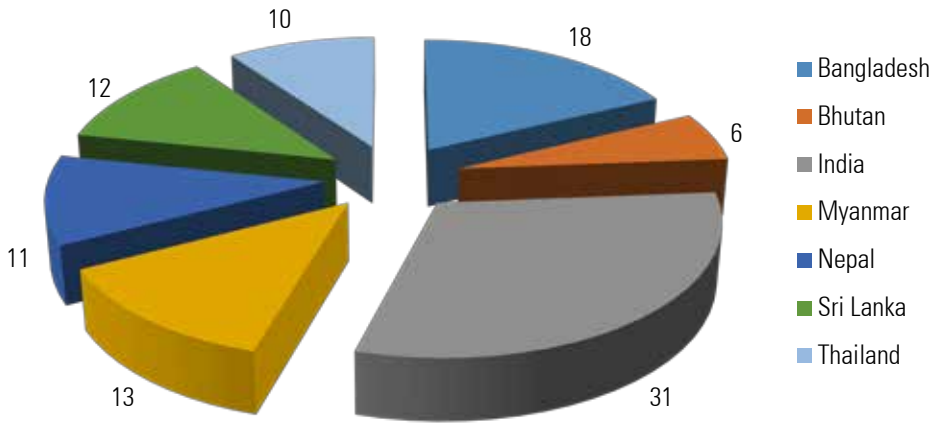
- Economic Relations
- Ease of Doing Business
- Connectivity

- Policy Advocacy
- Sustainability and Development

Economic Relations

Regional commerce has facilitated and lifted hundreds of millions of people out of poverty, but a lot more needs to be done. Fluctuating geopolitics, innovation in business models and changing societal expectations are creating new challenges and opportunities. A complex and shifting trade policy landscape can create uncertainty for businesses and investors. Business, governments and citizens must work together to craft policies and practices that make regional trade work for everyone within the grouping. BIMSTEC is a vibrant regional block, and has a huge market and trade potential for regional cooperation. In 2016, BIMSTEC Member States together had a staggering total export of approx. US$ 536.8 billion and an import of approx. US$ 641.7 billion, thereby making it one of the most active trade-driven regional blocs of the world.[31] When quizzed on the potential of trade with the BIMSTEC nations, 75 per cent of the respondents stated unequivocally that the most preferred destinations are India, Bangladesh and Myanmar (Figure 2).

Figure 2: Percentage of Preferred Trading Destinations



Source: FICCI Perception Survey 2017 on BIMSTEC

Both India and Thailand offer full market access to LDC (Least Developed Country) partners.[32] As a result, intra-BIMSTEC trade has increased to US$ 77 billion in 2017 from 38 billion in 2014[33], demonstrating an economic window, as well as the existence of a trade bloc that can very much benefit from introduction and appreciation of regional trade agreements. India and Thailand

[31]UNCTAD- United Nations Conference on Trade and Development Figures, 2016 accessed at http://unctadstat.unctad.org/CountryProfile/en-GB/index.html

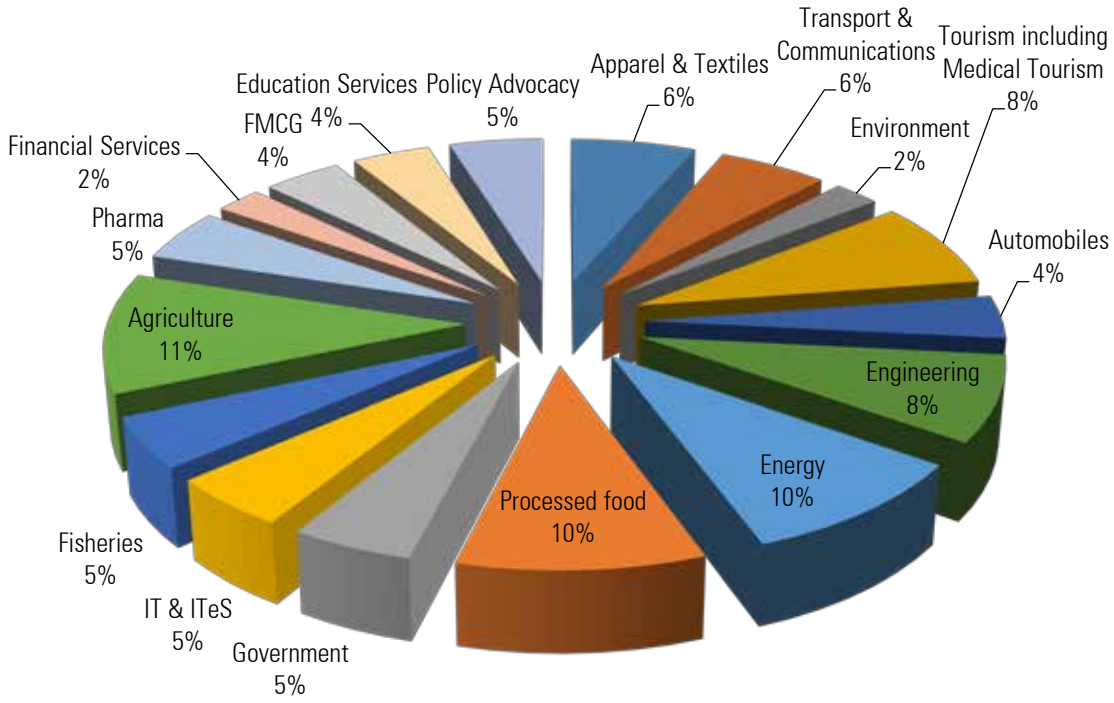
[32]In the BIMSTEC of the grouping of seven, four are Least Developed Countries (LDCs) i.e. Nepal, Bhutan, Bangladesh and Myanmar

[33]Hasan, S.M. Nazmul, Strengthening Railway Transport Connectivity in the South and Southwest Asia, BIMSTEC Secretariat, accessed at http://www.unescap.org/sites/default/files/5.3_S.M._Nazmul_Hasan_BIMSTEC%20Secretariat.pdf

together account for 85 per cent of intra-regional exports of BIMSTEC.[34] India's trade with the rest of BIMSTEC countries has full-fledged growth at an annual rate of 10.4 per cent as compared to intra-BIMSTEC trade growing at 0.62 per cent.[35] India's exports to BIMSTEC nations rose 16.6 per cent in 2014-15 to US$ 22.3 billion, while its imports from the same countries rose 8 per cent to US$ 9.3 billion during the year.[36]

The survey respondents rated agriculture, processed foods and energy, as the most preferred sectors for trade and investment, followed by tourism including medical tourism and engineering (Figure 3). This is in line with the resolve of the Member States to take concrete steps to promote intra-BIMSTEC tourism including specialised tourist circuits and eco-tourism. Also as the BIMSTEC economies are mainly agrarian in structure, ways and means to intensify agricultural cooperation should be identified so as to ensure food security.

Figure 3: Percentage-wise Preferred Trading Sectors



Source: FICCI Perception Survey 2017 on BIMSTEC

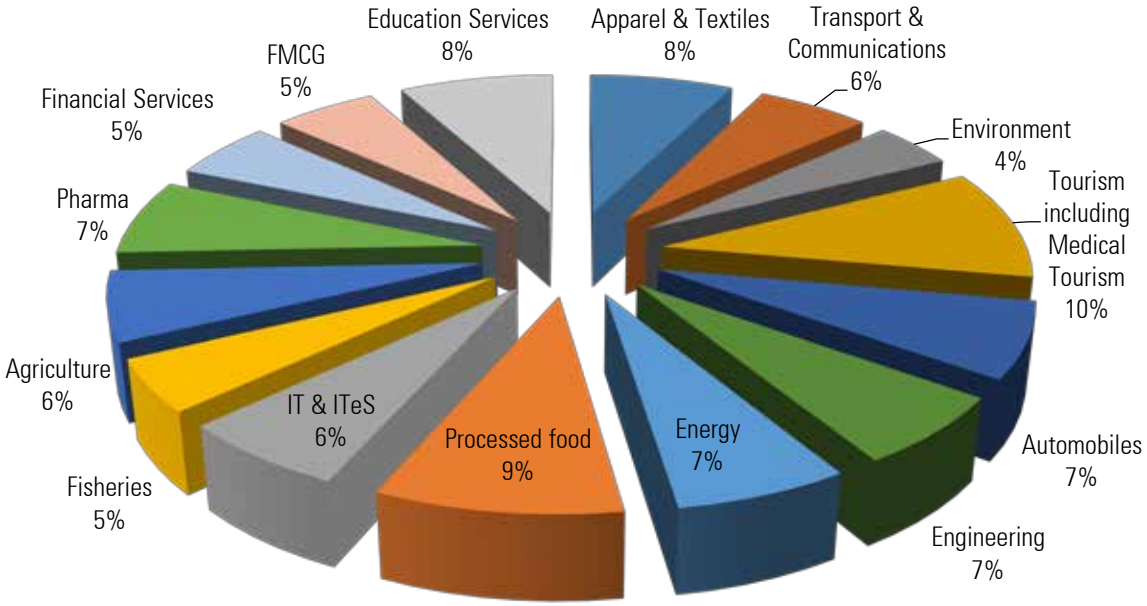
[34]Sengupta, Jayshree, BIMSTEC-FTA: A new hope for enhanced regional trade, BIMSTEC@20, ORF Issue No 198, September 2017 accessed at http://cf.orfonline.org/wp-content/uploads/2017/09/ORF_IssueBrief_198_BIMSTEC-FTA.pdf

[35]Sengupta, Jayshree, BIMSTEC-FTA: A new hope for enhanced regional trade, BIMSTEC@20, ORF Issue No 198, September 2017 Accessed at http://cf.orfonline.org/wp-content/uploads/2017/09/ORF_IssueBrief_198_BIMSTEC-FTA.pdf

[36]Mishra, Asit Ranjan, India softens stance on Bay of Bengal free trade agreement, 22 Feb 2016 http://www.livemint.com/Politics/GxcCHglHmc5GelTo5GPLeI/India-softens-stance-on-Bay-of-Bengal-free-trade-agreement.html

Focusing on the potential sectors for investment in the BIMSTEC region, most of the respondents felt that tourism including medical tourism, processed foods and education services topped the list (Figure 4). Many also felt that the pharma industry as well as apparels and textiles are a major attraction inducing foreign investment (Figure 4).

Figure 4: Preferred Sectors for Investment

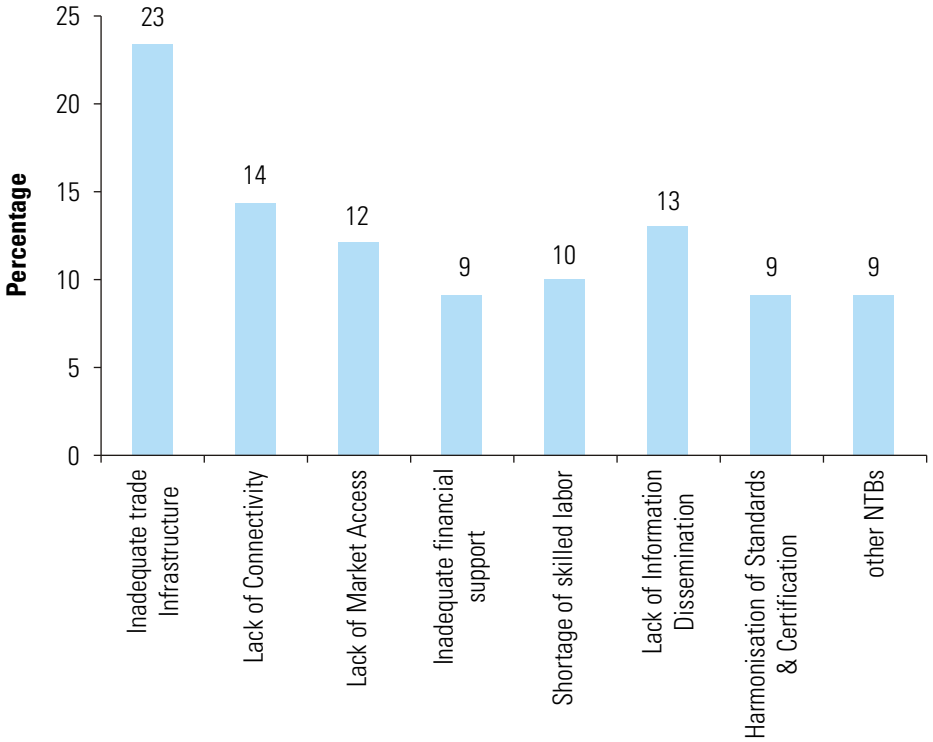


Source: FICCI Perception Survey 2017 on BIMSTEC

Intra-regional trade and investment are relatively lower in the BIMSTEC region as compared to other regional blocs. One of the major reasons cited by the respondents for this low level of trade and investment is inadequate infrastructure (Figure 5). The Member States of BIMSTEC recognise the challenges underlining the lack of connectivity and information dissemination in the region; these are other reasons cited by the respondents (Figure 5) for the low level of trade. For instance, poor infrastructure, particularly the lack of telecommunication links, parking space, warehouses and cold storage, accommodation facilities and power are major constraints to trade at border. This is also echoed in some policy papers on BIMSTEC.[37]

[37]Series of papers published by ORF on BIMSTEC accessed at http://www.orfonline.org/tags/bimstec20/

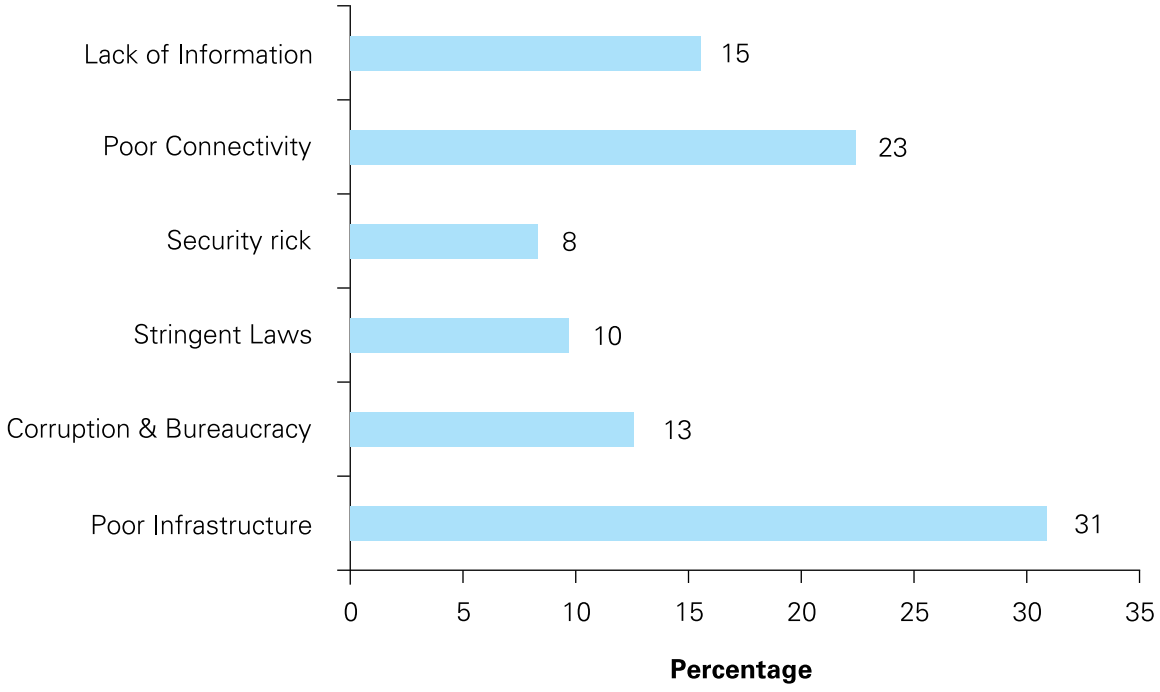
Figure 5. Reasons for Low Level of Intra-regional Trade



Source: FICCI Perception Survey 2017 on BIMSTEC

Poor infrastructure and connectivity were also stated as the main reasons for low intra-regional investment in the region by the respondents of the survey (Figure 6). This is in line with reasons as to why trade is low too.

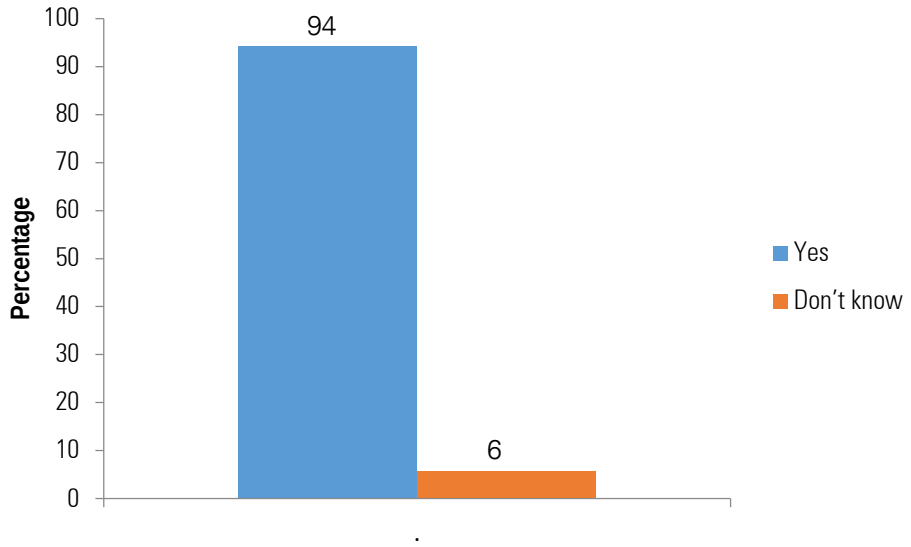
Figure 6: Reasons for low intra-regional investment



Source: FICCI Perception Survey 2017 on BIMSTEC

Of all the respondents, 94 per cent thought that the possibility of concluding a BIMSTEC Free Trade Agreement (FTA) in goods and services would significantly improve trade and investment within the region (Figure 7).

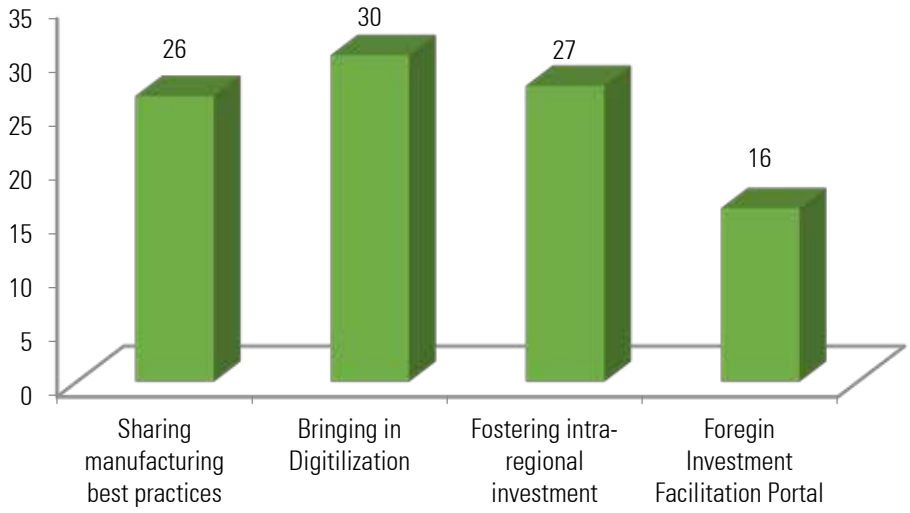
Figure 7: Will FTA Improve Trade and Investment in the Region?



Source: FICCI Perception Survey 2017 on BIMSTEC

India should contribute to the promotion of trade and investment in BIMSTEC. A majority of the respondents felt that this is possible mainly through facilitating digitalisation in improving Ease of Doing Business and custom clearance which will enhance connectivity between the regions. Sharing manufacturing practices within the sub-regions can also be focussed upon to promote trade and investment (Figure 8).

Figure 8: Contributions by India for promotion of Investment and Trade in BIMSTEC



Source: FICCI Perception Survey 2017 on BIMSTEC

Ease of Doing Business

The Doing Business benchmarks underlined under the World Bank's Doing Business Report 2018[38] reinforce the need for seamless system of intra-regional trade and cross border movement.

The report provides an aggregate ranking on the Ease of Doing Business based on indicator sets that measure benchmark regulations applying to domestic small to medium-size businesses through their life cycle. One of the indicators in trade facilitation is the number of documents required to complete the process per business cycle. However, difficulties arise when different trading partners ask for different documents in the process of exporting or importing the same product.

Doing Business measures regulations affecting 11 areas of the life of a business. Ten of these areas are included in this year's ranking on the Ease of Doing Business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Doing Business also measures labour market regulation, which is not included in this year's ranking.[39] In the case of BIMSTEC countries (Table 4), Thailand ranks the highest in terms of Ease of Doing Business, India ranks third next to Bhutan, whereas Bangladesh is the toughest country for setting up a business.

Table 4: BIMSTEC Ranking as per Doing Business Report 2018

No	Countries	Ranking as per World Bank's Doing Business Report 2017	Ranking within BIMSTEC
1	India	100	3
2	Bangladesh	177	7
3	Bhutan	75	2
4	Myanmar	171	6
5	Thailand	26	1
6	Sri Lanka	111	5
7	Nepal	105	4

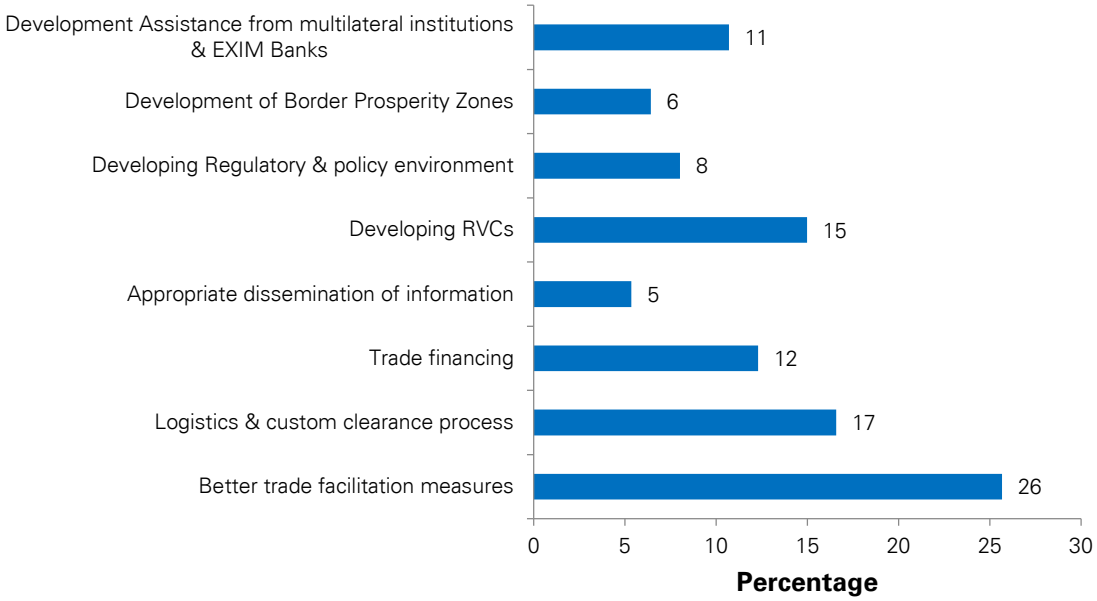
Source: World Bank, Doing Business Report 2018

The respondents rated better trade facilitation and easier logistics and custom clearance processes as the most important measures for making BIMSTEC, a pro-business region (Figure 9). Within trade facilitation, harmonisation of standards through signing Mutual Recognition Agreements (MRAs) was rated as the highest factor that would improve the business environment in the BIMSTEC region. Agreement of Sanitary & Phytosanitary measures (SPS) as well as one stop border clearance mechanism was next in line. Moreover, B2B meetings were considered the most suitable means of information dissemination among industry players. Trade financing was also rated as an important measure for business expansion in the BIMSTEC region (Figure 9).

[38]Ease of Doing Business Report 2018, World Bank, October 2017

[39]http://www.doingbusiness.org/reports/global-reports/doing-business-2018

Figure 9: How to Make BIMSTEC a Pro-Business Region

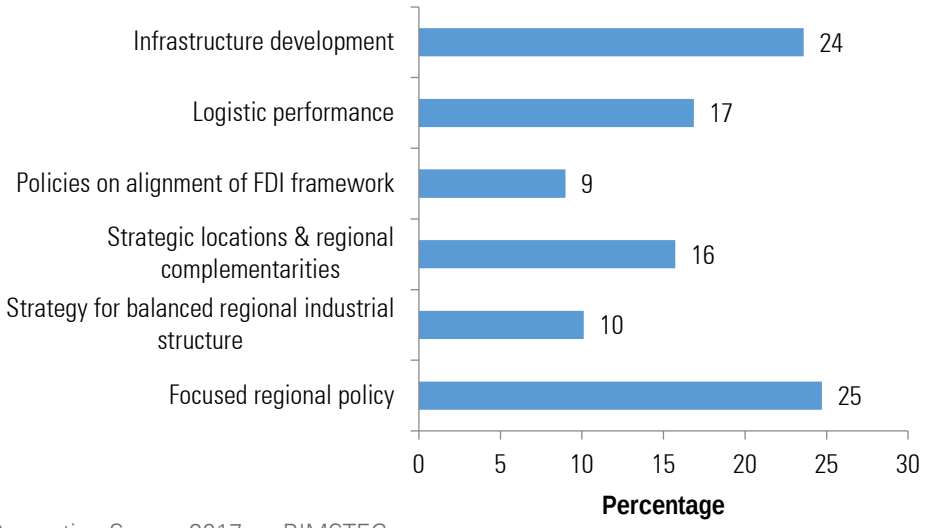


Source: FICCI Perception Survey 2017 on BIMSTEC

The development of Regional Value Chains (RVCs) emerged as a key characteristic to improve the economic performance of Member States. Thus, there is need to create regional value chains that could feed into global value chains: this would help the BIMSTEC countries take advantage of their collective capabilities. At present, as per a study by ORF[40], excluding Bangladesh, India and Thailand, the countries of BIMSTEC are not linked to global value chains of the world.

A majority of the respondents were of the opinion that the enablers for robust RVCs in BIMSTEC would be development of regional infrastructure and a national policy framework in Member States that align with the regional strategy to develop value chains (Figure 10).

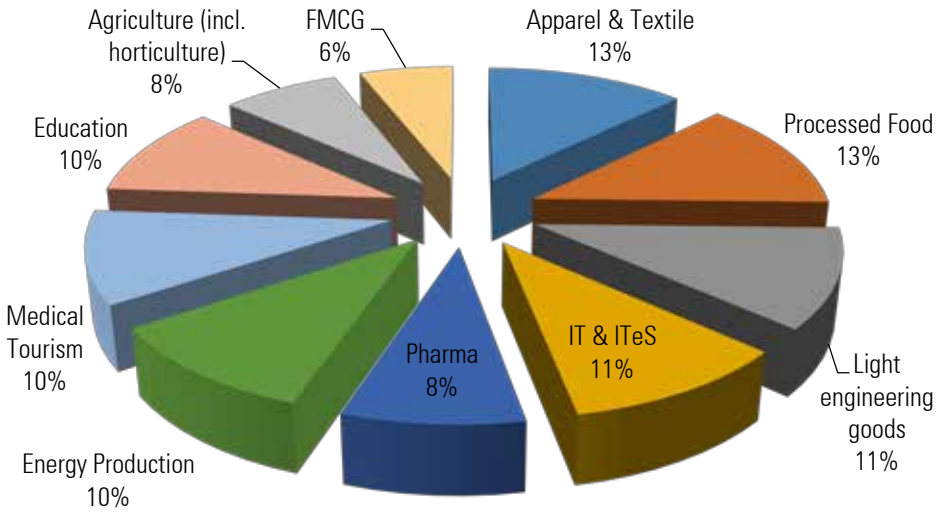
Figure 10: Enablers for Robust RVCs in BIMSTEC



Source: FICCI Perception Survey 2017 on BIMSTEC

[40]Sengupta, Jayshree, BIMSTEC-FTA: A new hope for enhanced regional trade, BIMSTEC@20, ORF Issue No 198, September 2017 accessed at http://cf.orfonline.org/wp-content/uploads/2017/09/ORF_IssueBrief_198_BIMSTEC-FTA.pdf

Figure 11: Sectors amenable for RVCs

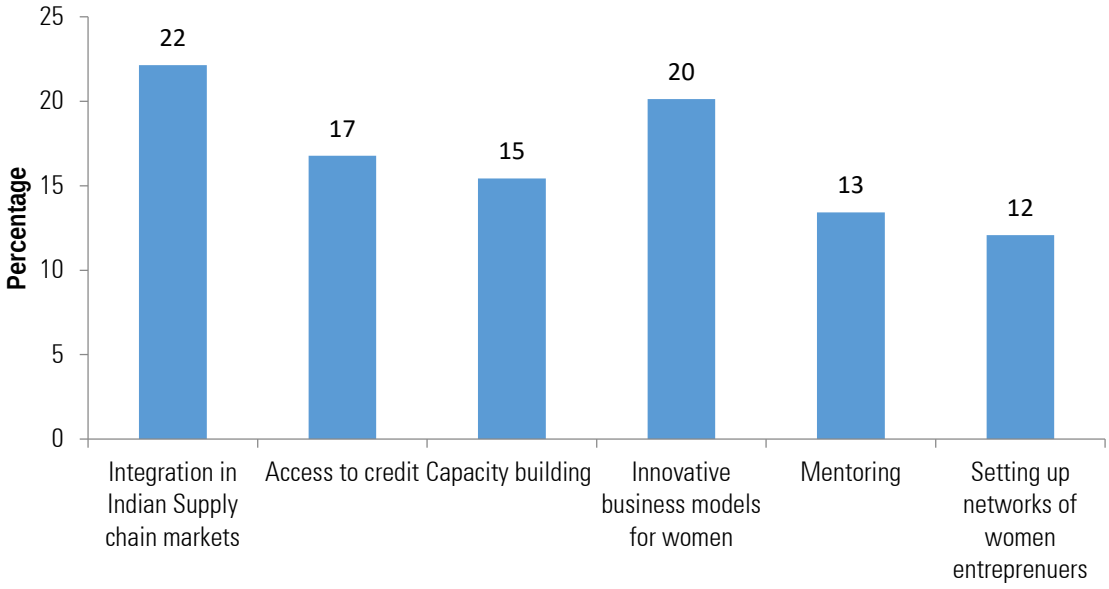


Source: FICCI Perception Survey 2017 on BIMSTEC

A majority of the respondents opined that apparel and textiles along with processed foods were viewed as the most amenable sectors for RVCs (Figure 11)

When enquired (Figure 12) on how BIMSTEC could promote women entrepreneurship amongst the Member States, 22 per cent of the respondents felt that integration of women entrepreneurs into supply chain markets was the need of the hour. Besides, 20 per cent also felt the need of building innovative business models for women e.g. self help groups (Figure 12).

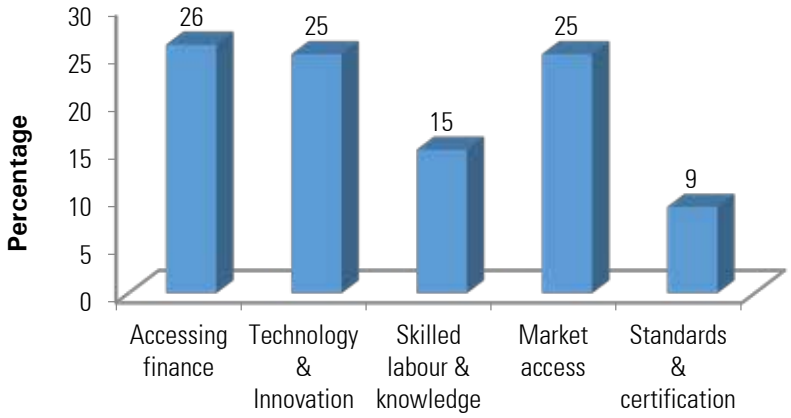
Figure 12: Promotion of Women Entrepreneurship amongst Member States



Source: FICCI Perception Survey 2017 on BIMSTEC

The scope of SME development in the BIMSTEC region could be explored through the creation of production networks and by tapping backward and forward linkages generated in the process of regional integration. For instance, since most of countries in the region have an established textile and handicrafts sector, the scope of developing production networks in this sector is quite high. According to OECD, SMEs play a significant role in developing countries.[41] They typically account for more than 90 per cent of all firms outside the agricultural sector, constitute a major source of employment and generate significant domestic and export earnings. Therefore, SME development emerges as a crucial instrument in poverty reduction efforts within the BIMSTEC region. As per the survey respondents, impediments to the development of SMEs include access to finance (26 per cent), appropriate leverage of technology (25 per cent), skilled labour (15 per cent), market information (25 per cent) and lack of harmonisation of standards and certification (9 per cent) (Figure13).

Figure 13: Issues faced by SMEs in BIMSTEC region

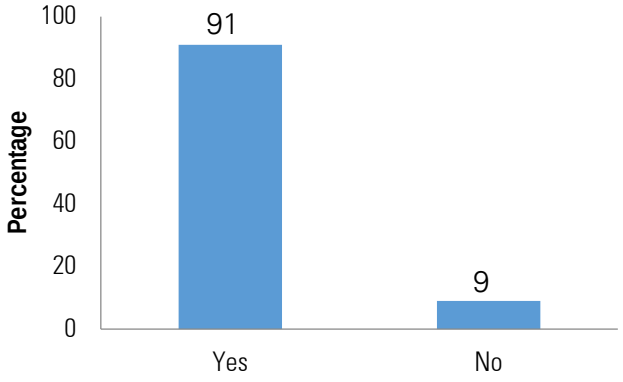


Source: FICCI Perception Survey 2017 on BIMSTEC

Connectivity

FICCI survey questioned the respondents if the implementation of Motor Vehicles Agreement could improve connectivity in the region. 91 per cent of the respondents indicated that the implementation of BIMSTEC Motor Vehicles Agreements (MVA) would facilitate the much-needed regional connectivity (Figure 14).

Figure 14: Will Implementation of BIMSTEC MVA Facilitate Regional Connectivity?

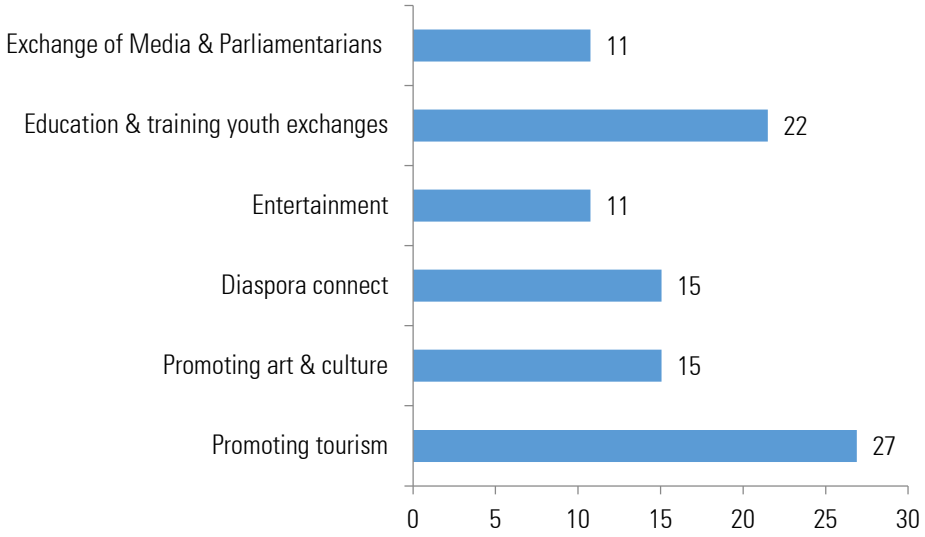


Source: FICCI Perception Survey 2017 on BIMSTEC

[41]Promoting Entrepreneurship and Innovative SMEs in a Global Economy: Towards a More Responsible and Inclusive Globalisation http://www.oecd.org/cfe/smes/31919278.pdf

There are strong civilizational linkages among the BIMSTEC member states. Twenty per cent of the respondents (Figure 15) were of the view that promotion of tourism through religion, culture and cuisine would lead to strengthening the traditional bonds. Twenty per cent were of the view that education, parliamentary and youth exchanges would enhance the linkages. Promotion of art, culture and improving the Diaspora connect figures among the recommendations (Figure 15). The heavy weightage given by the survey respondents to education and youth training exchanges for strengthening the existing linkages in BIMSTEC reinforces India's focus on skill development programme and this can be replicated by other countries in the sub-region.

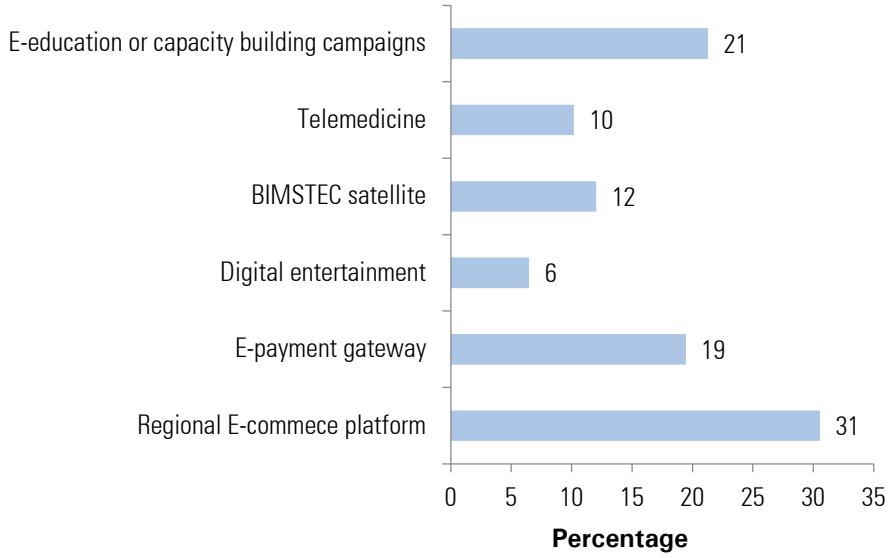
Figure 15: Recommendations for Strengthening Existing Linkages in BIMSTEC



Source: FICCI Perception Survey 2017 on BIMSTEC

Digital connectivity has the potential to leapfrog the development paradigms and overcome the physical infrastructural challenges. According to a majority of the respondents (Figure 16), creation of a regional E-commerce platform can promote digital connectivity in the BIMSTEC region. An E-payment gateway could also enhance it.

Figure 16: Promotion of Digital Connectivity



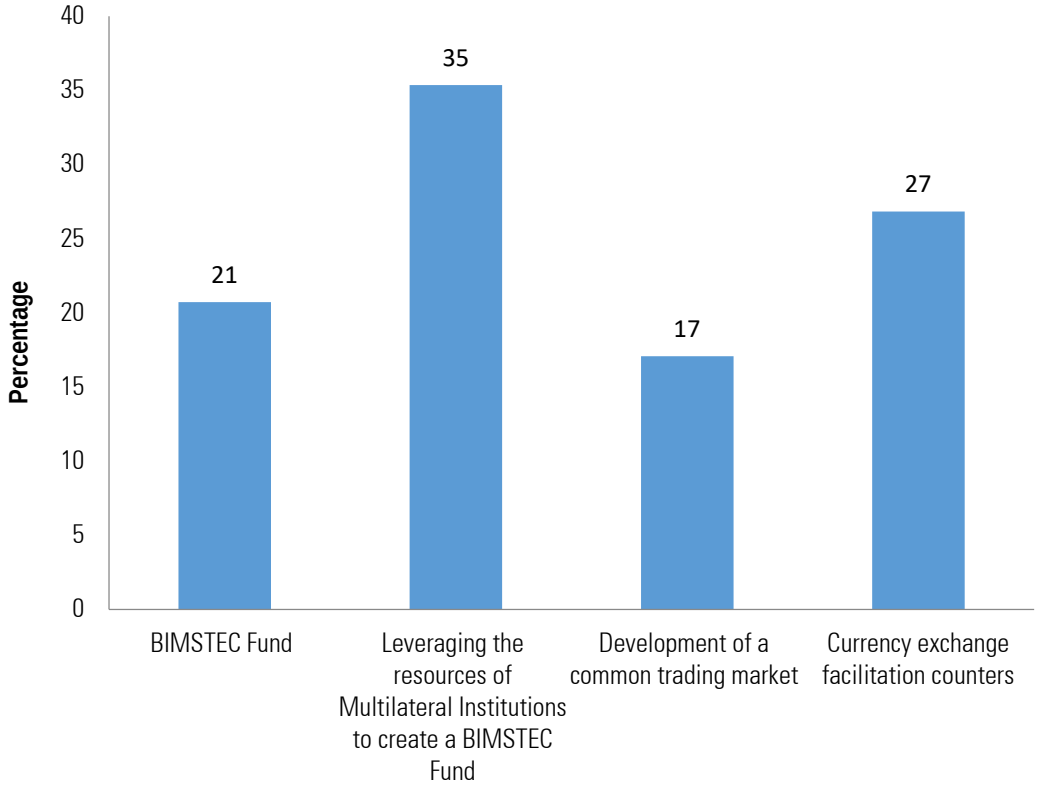
Source: FICCI Perception Survey 2017 on BIMSTEC

Policy Advocacy

Since its inception, BIMSTEC has dedicated itself on evidence based policy advocacy that provides an unbiased perspective to policy makers within the regional grouping. Current questions of great relevance include: How should the grouping be run and how can the Secretariat serve the long-term vision of the grouping? How should finances be managed? How should the economy be developed? What should spending priorities be? How should relations with other countries within BIMSTEC be managed? What quality of life should citizens expect? How should the infrastructure perform?

We questioned survey respondents on certain issues which can improve the region as a whole. Thirty-five per cent of the survey respondents felt that leveraging the resources of multilateral institutions (BRICS Bank, ADB, AIIB, World Bank etc.) to create a BIMSTEC Fund for development projects in the region would create a sustainable financial infrastructure for the region. Development of currency exchange facilitation counters (27 per cent) in BIMSTEC Member States has also received a high ranking (Figure 17).

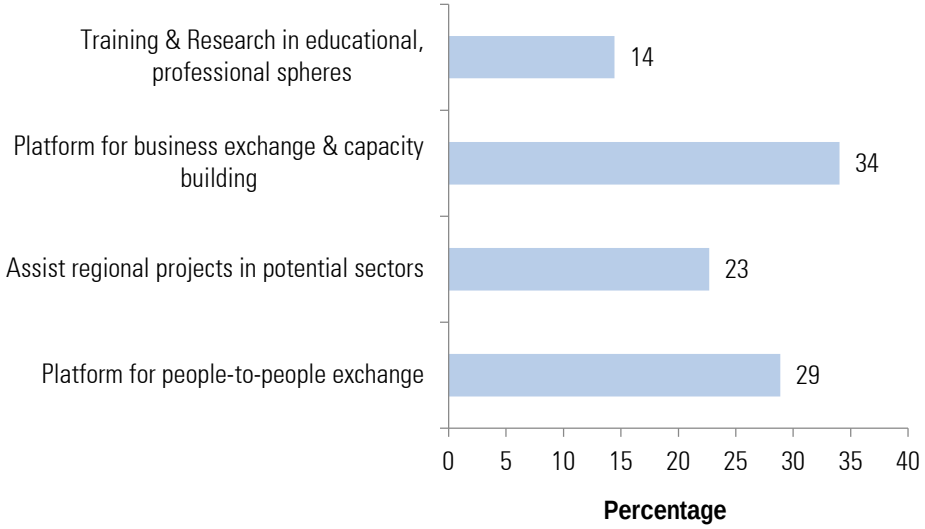
Figure 17: Ways to Create a Sustainable Financial Infrastructure in BIMSTEC



Source: FICCI Perception Survey 2017 on BIMSTEC

According to 35 per cent of respondents, BIMSTEC Secretariat can help facilitate businesses and promote industry through the creation of platforms for business exchange and capacity building (Figure 18). Closely following this, many felt that the Secretariat is important for facilitating people-to-people exchanges as well as for identifying and assisting regional projects in potential sectors such as IT and ITeS, tourism etc. (Figure 18).

Figure 18: BIMSTEC Secretariat for Facilitating Businesses and Industry Promotion

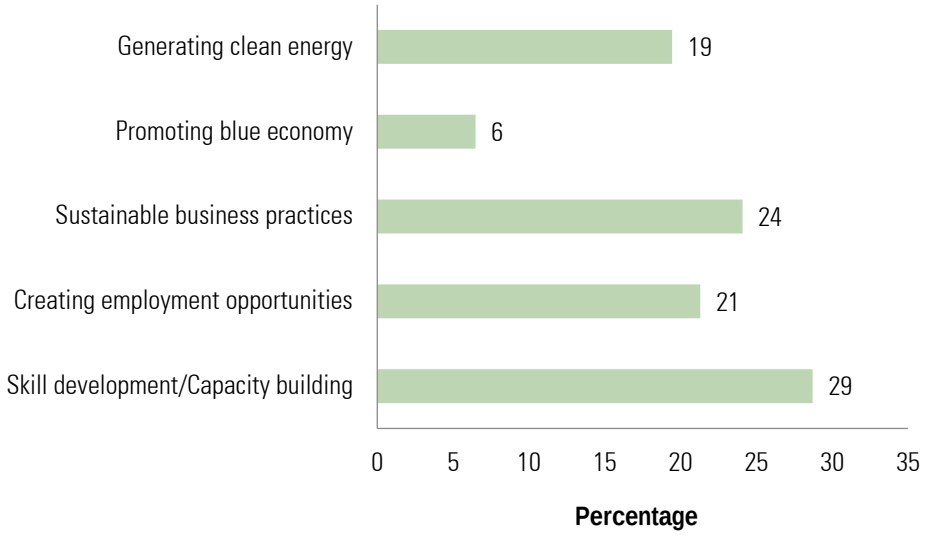


Source: FICCI Perception Survey 2017 on BIMSTEC

Sustainability and Development

An important though missing element in the discussion pertains to the nature of initiatives that the Member States in BIMSTEC should take to achieve United Nations Sustainable Development Goals (UN SDGs). Thirty per cent of the respondents believed that skill development (29 per cent) is the most relevant factor to be developed in BIMSTEC region to achieve the SDGs. Maintaining sustainable business practices (24 per cent) as well as creating employment opportunities (21 per cent) follow close behind. In addition, 6 per cent of the respondents felt that focus should be placed on Blue Economy (Figure 19).

Figure 19: Most relevant to achieving UN SDGs



Source: FICCI Perception Survey 2017 on BIMSTEC

Conclusion

BIMSTEC brings, on a single platform, countries that are bound together by a deep sense of unity and commonality amidst diversity. Besides, there is obvious economic complementarity, with an immense potential for sub-regional growth and integration.

The key to unlock this potential for prosperity lies in the creation of a sub-regional architecture for physical, digital and people-to-people connectivity. A robust economic framework through early finalisation of the trade facilitation agreement would be desirable. Other conclusions are as below:

- While it is apparent that the sub-grouping naturally lends itself to regional integration, through physical connectivity and economic cooperation, it has suffered from a marked lack of attention.
- Diversification and modernisation of economies, infrastructure development, knowledge exchange, increased access to technology, capacity building, expansion of trade and investment should be accelerated.
- Intra-regional trade and investment are relatively lower in the BIMSTEC region as compared to other regional blocs, though there is great optimism among respondents that BIMSTEC has the potential to be the engine of growth for the sub region. Such growth is highly relevant for attainment of SDGs in the region as 4 out of 7 Member States are LDCs (Nepal, Bhutan, Bangladesh and Myanmar).
- The greatest challenge faced by the region is lack of connectivity and timely availability of information.
- The survey gives a clear vote in favour of early finalisation of BIMSTEC trade facilitation agreement. An overwhelming percentage of respondents (94 per cent) have voted in favour of speedy conclusion of BIMSTEC Free Trade Agreement.
- There is a need to expedite the negotiations on the Agreements on Services and Investment and early finalisation of the BIMSTEC Agreement on Mutual Assistance on Customs Matters to augment economic cooperation in the region.
- It is desirable that the BIMSTEC Energy Centre may be made fully operational soon through grid interconnection.
- There is a need to expedite the signing of BIMSTEC Framework Agreement on Transit, Transhipment and Movement of Vehicular Traffic as well as the BIMSTEC Coastal Shipping Agreement for better connectivity and people-to-people linkages.
- Multimodal connectivity and a speedy conclusion of the BIMSTEC FTA would have a multiplier effect.
- The need to create regional value chains that could feed into global value chains has been highlighted as a factor that would help BIMSTEC Member States take advantage of their collective capabilities.
- It is vital to continue to align BIMSTEC areas of cooperation with SDGs – Sustainable Development Goals.

- It is necessary to establish the BIMSTEC Buddhist Tourist Circuits and Temple Tourist Circuits in the region.
- The survey recommends that BIMSTEC Secretariat should help facilitate businesses and promote industry through the creation of platforms for business exchange and capacity building.
- Leveraging civilizational links through promotion of tourism, education, parliamentary and youth exchanges and promotion of art, culture and Diaspora connect are other recommendations.
- Developing closer links with the BIMSTEC countries is of direct relevance to India's Act East policy. It is also vital for advancing the interests of India's North East Region.



VII. REGIONAL STAKEHOLDERS' CONSULTATION

VII



Regional Stakeholders' Consultation

The Chair and two members of FICCI's Core Group on BIMSTEC participated in the Northeast Connectivity Summit 2017, held at Kohima on 22-23 September 2017. They thus had a valuable opportunity to gauge the trends of latest thinking within the Northeast on regional development issues and secure inputs on how to strengthen BIMSTEC.

The Chair of the Core Group made a presentation on BIMSTEC at the session entitled 'International Connectivity Initiatives' on 22 September 2017. In addition, the FICCI Secretariat organised a full-scale 'Regional Stakeholders' Consultation' on 23 September. A sizeable number of business and academic leaders, officials and 'friends of India' from Myanmar, Bangladesh and Bhutan participated in it.

The key ideas that emerged at the above-mentioned consultative meeting are listed below:

1. BIMSTEC, being a regional grouping of India's friendly and important neighbours, deserves full support in its endeavour to strengthen itself. This exercise should be anchored in a candid analysis of its under-performance in the past. Its goals, plans and a changed approach in the future need wider engagement of the media and people. Awareness about BIMSTEC should to be increased.

2. The basic thrust of BIMSTEC should be on development. For this purpose, India's Northeast has the potential to be the hub for trade and economic activities. However, as a regional organisation of equal, sovereign nations, BIMSTEC should give optimal opportunity of development to all Member States. India's role will be crucial. She should adopt a pro-active and inclusive approach.

3. As vexed bilateral issues have the potential to impact BIMSTEC adversely, there is a need to create 'space' for discussions on bilateral differences or disputes (such as the question of Rakhine Muslims/Rohingyas involving Myanmar and Bangladesh), but it was noted and acknowledged that such discussions will need to be outside the official regional forum.

4. The Bay of Bengal is a common resource of several BIMSTEC countries, which should be harnessed and developed through collective endeavours. Blue Economy opportunities should be balanced with the requirement to develop the potential of Mountain Economy.

5. A 'BIMSTEC Parliamentary Forum' may be created as a platform where elected representatives of people interact and create consensus on how to advance action on issues of common interest and build up political support for the proposed rejuvenation of BIMSTEC.

6. Trade and Investment, Connectivity, and Energy were identified as the core sectors for cooperation among the Member States.

7. In the education sector, new measures were suggested for consideration, such as setting up a digital network of universities of Member States, especially between those located in the Northeast and in Myanmar and Thailand, and establishing institutions of higher learning in technology, management and medicine in the Northeast where students from neighbouring Southeast Asian countries could be given ample opportunities to study.

8. Tourism may be developed as a key enabler for economic development, cultural understanding and expansion of people-to-people exchanges. Existing platforms such as 'Hornbill Festival', 'Nadi Dialogue and Festival' and others may be utilised to create and promote solidarity, common identity and cooperation.

9. Support was articulated for the creation of a Development Fund of BIMSTEC and for strengthening its Permanent Secretariat.

10. The CLMV region being its natural partner, BIMSTEC should consciously develop cooperative linkages, in its future activities, with three countries viz. Lao PDR, Cambodia and Vietnam, especially since the fourth country (i.e. Myanmar) is already a member of BIMSTEC.

11. It was also suggested that the Core Group, through its Chair, should hold consultations with the new Secretary General of BIMSTEC in order to seek his inputs and create synergy between the BIMSTEC Secretariat and FICCI Secretariat. (Subsequently, an informal meeting between the Secretary General BIMSTEC and the Chair FICCI Core Group on BIMSTEC took place in Dhaka on 8 October 2017.)



VIII. POLICY RECOMMENDATIONS FOR A NEW BIMSTEC

VIII



Policy Recommendations for a New BIMSTEC

Following extensive deliberations, widespread consultations and deep reflection, the FICCI Core Group of Experts makes the following recommendations for a thorough renewal and rejuvenation of BIMSTEC as the premier regional grouping, committed to securing greater cooperation and integration in the next decade:

I. Indo-Pacific Perspective

India's Act East Policy has established natural convergence with i) Look West Policy of ASEAN countries, especially Thailand and Myanmar, and ii) Free and Open Indo-Pacific Strategy of Japan. The full potential of collaboration emerging from this two-fold convergence should be harnessed, keeping in view the interests of all Member States and particularly the needs of India's Northeast and its surrounding region.

In this context, Para 13 of the India-Japan Joint Statement, issued on 14 September 2017 during the visit of Japanese PM Shinzo Abe to India, and its implications for BIMSTEC deserve serious consideration. For ready reference, it is cited below:

> The two Prime Ministers welcomed the India-Japan cooperation on development of India's Northeastern Region (NER) as a concrete symbol of developing synergies between India's Act East policy and Japan's Free and Open Indo Pacific Strategy. In this context, they noted with satisfaction the setting up of the India-Japan Act East Forum. They appreciated the cooperation between Japan and Northeastern Region of India, ranging from key infrastructure such as road connectivity, electricity, water supply and sewage, to social and environmental sustainability such as forestation and community empowerment, as well as people-to-people exchanges including the "IRIS Program" inviting youth from the NER to Japan.

In the above context, the Core Group welcomes the launch of India-Japan Act East Forum and its first meeting was held on 5 December 2017. The Forum should be briefed immediately of the contents of this Knowledge Paper.

Deeper cooperation with Japan can benefit the BIMSTEC region tremendously not only with the development of hard connectivity through transportation networks and industrial corridors, but also soft connectivity like skill development, promotion of tourism and building technological capacity.

BIMSTEC may also engage strategically with Member States of ASEAN to enhance the former's relevance.

Moreover, the three CLMV countries, besides Myanmar, should be viewed as natural allies of BIMSTEC. Hence, they – Vietnam, Cambodia and Lao PDR – may be invited to join BIMSTEC as Observers initially, and their full membership may be considered later. Finally, there should be a forum where the think tank community and corporates of these countries could be associated with special programmes formulated by BIMSTEC.

II. Political Orientation

i. BIMSTEC represents a shared strategic space for security, development, peace and prosperity. The geographical area comprising the seven member countries should no longer be viewed as a sub-region, carved out from South Asia and Southeast Asia for the purposes of limited cooperation. In fact, it is a clearly marked region with its own distinct identity, and it is driven by a strong rationale towards accelerated economic development on a wider spectrum. It should aim to realise the vision of the Bay of Bengal Community (BoBC) through the concept of Blue Economy, while also harnessing the full potential for the development of its land-locked and mountainous Member States through the concept of Mountain Economy.

ii. BIMSTEC should be accorded the highest possible policy attention by its member-governments, even as they fulfill their obligations concerning other regional organisations such as SAARC and ASEAN. Future endeavours by India in particular should focus on ensuring support, without reservations, to the consolidation and revitalisation of BIMSTEC on a sustained basis. It must be developed to its optimal potential in the coming decade.

iii. The new strategy demands that BIMSTEC should not remain only an organisation of governments. Instead, it should strive to become a thriving partnership among governments, business and industry, civil society, other stakeholders and people at large – working together for the shared objectives of ensuring security, preserving peace and expanding the reach and impact of development.

III. Institutional Reforms

The proposed political re-orientation demands a fresh approach to several institutional issues, as delineated below:

i. To demonstrate enhanced leadership quotient and increased political commitment, BIMSTEC Summit should be held once in two years, while the Leaders' Retreat (of the kind held in Goa in October 2016) should be held in the alternate year.

ii. Ministerial Meetings and Senior Officials Meeting (SOM) should be held annually on a regular basis.

iii. Participation of relevant ministries should be stepped up. Currently foreign affairs ministries serve as BIMSTEC nodal agencies for all sectors. While their coordination is helpful, greater ownership by line ministries would accelerate the implementation of decisions taken. (For example, India is the country chair for transport. MEA is largely involved with this, with very little participation from the relevant transport-related ministries.)

iv. The role of the BIMSTEC Permanent Secretariat should be enhanced and strengthened. Member governments should empower the Secretariat more, enabling it to take initiatives and actions on operational matters. (For example, the Secretariat is required to consult the lead countries on all matters related to their respective sectors, no matter how small the issues may be. This is inefficient and disempowering the institution.)

v. The present staffing pattern needs to be reviewed in order to increase it in proportion to the bigger role envisaged for the Permanent Secretariat. It is desirable to ensure that each Member State sends its nominee as director in this institution.

vi. In expanding the Secretariat and re-defining its role, the ASEAN Secretariat model needs to be emulated, after suitable modifications.

IV. Business and Industry Dimension

i. Government-Business interface in the functioning of BIMSTEC has remained weak and ineffective. It needs to be strengthened and institutionalised to enable it to produce better results. It is, therefore, recommended that, on the lines of the relevant mechanism in BRICS, a new BIMSTEC Business Council may be established and operationalised as soon as possible.[42] FICCI may serve as the Secretariat for the proposed BIMSTEC Business Council.

ii. Industry strongly favours the proposal to craft, develop and promote the 'BIMSTEC Brand.' Branding is a proven marketing tool – whether for a product, service, project or institution. It is only by widening and deepening the field of awareness about BIMSTEC as the premier regional grouping that ample support of business enterprises as well as people at large can be created and sustained.

iii. FICCI should help to create the 'BIMSTEC Brand.' Stakeholders in other Member States should also be consulted and involved with this initiative so that every member shares a sense of ownership.

iv. BIMSTEC should claim credit for completed and ongoing projects that have been identified and endorsed by the member-governments, and publicise them as the organisation's achievements. Several projects in the BIMSTEC Transport and Logistics Study have been implemented (some with ADB support), but were not recognised as BIMSTEC's achievements.

v. Launching of 'BIMSTEC Business Visa', to be made available through e-channel, should be given a high priority as a way to smoothen business travel and, therefore, transactions.

[42]For relevant details, please see the Appendix VI.

vi. A specific recommendation for FICCI is that it may create opportunities for short-term internships in the private sector for interested candidates from BIMSTEC countries and other neighbouring CLMV countries. Apart from enhancing their employability, this initiative will expand the arc of friendship and cooperation.

V. Financing Challenge

As BIMSTEC urgently needs to shed the label of 'a mere talk shop', it should aim to finalise and implement a sizeable number of development projects that benefit all its Member States. It should intensify its quest for cooperation with institutions that are willing to support bankable projects.

Moreover, as inadequacy of financial resources acts as a serious constraint, governments should consider creating a BIMSTEC Fund. They could contribute to it, and also examine the feasibility of turning it into a Public-Private Partnership (PPP) Development Fund.

India may show its purposeful leadership by pledging a substantial sum of $2 billion to start with and by urging and persuading other governments to pledge a total sum of at least $1 billion for creating the proposed Fund.

Financial institutions such as ADB, the long-time supporter of BIMSTEC, and the EXIM Bank of India and other financing institutions with proven expertise and track record, should be closely involved with the challenging task of seeking additional financial resources.

VI. Strategic Thrust

BIMSTEC needs strategic thrusts in select priority sectors if it is keen to emerge as a result-oriented, effective and influential institution.

This macro goal will be achieved by

a) Concluding negotiations for FTA agreements and trade facilitation,

b) Strengthening infrastructure linkages,

c) Deepening regional transport connectivity,

d) Facilitating cross-border trade and investment, and tourism,

e) Enhancing private sector participation and competitiveness,

f) Supporting regional power trading,

g) Developing human resources through mutual cooperation,

h) Protecting environment and promoting sustainable use of shared natural resources,

i) Creating the Bay of Bengal Community (BoBC) and,

j) Promoting all-round cooperation in 'soft power' areas

For specific recommendations in respect of the sectors covered, attention is invited to the Section V of this Knowledge Paper.

Most importantly, FICCI may consider convening a Regional Business Conference of CEOs and Experts from BIMSTEC countries to discuss this Knowledge Paper and develop wider consensus on its conclusions and recommendations. It is suggested that the Ministry of External Affairs may consider extending financial and other support to the proposed conference.



IX. CONCLUSION

IX



Conclusion

In the first two decades of its existence from 1997-2017, BIMSTEC managed to secure modest achievements only. The Core Group believes that the grouping's full potential has not been realised yet.

The lack of critical support – strong and clear political commitment, adequate financial resources, full engagement of business and industry, and optimal involvement of civil society – has been the principal constraint.

All this can – and must – change in the interest of the people of BIMSTEC, a distinct and clearly marked region which has acquired an identity and momentum of its own.

The way ahead, delineated in this Knowledge Paper, is to speedily enhance regional cooperation, and advance towards a marked deepening of regional integration.

The Core Group advocates all possible measures that contribute to the emergence of BIMSTEC as a dynamic, thriving and people-centric ecosystem.

Engagement with people at the micro level and ensuring the last mile connectivity will be the grouping's ultimate test. Only by passing it successfully will the New BIMSTEC emerge by 2027.

The Core Group is convinced that the opportunities are immense and the challenges ahead are urgent in nature. Hence the region does not have a day to waste!

The task of generating an all-round synergy should begin immediately.

With the submission of the Knowledge Paper, the mandate of the Core Group will end. However, should its services be required, it will be willing to advise and assist FICCI in the task of implementing the above-mentioned recommendations.



APPENDICES

APPENDIX I : MACRO-ECONOMIC OVERVIEW OF BIMSTEC MEMBER COUNTRIES

Country	Currency	Exchange rate	Population (mn)	Ease of Doing Business	GDP (USD bn)	GDP growth rate	Inflation rate	Gross Fixed Capital Formation (% of GDP)
Bangladesh	Bangladeshi Taka	78.47 (2016 est.) (BDT/USD)	162.95 (2016 est.)	176 (2016)	221.41 (2016)	7.1%	5.5% (2016 est.)	30% (2016)
Bhutan	Bhutanese Ngultrum	67.20 (2016 est.) (BTN/USD)	5.5% (2016 est.)	30% (2016)	2.23 (2016)	6.2% (2016)	3.3% (2016 est.)	50% (2016)
India	Indian Rupee	67.20 (2016 est.) (INR/USD)	0.79 (2016 est.)	73	2263.52 (2016)	7.1% (2016)	4.9% (2016 est.)	27% (2016)
Myanmar	Burmese kyat	1234.87 (2016 est.) (MMK/ USD)	52.89 (2016 est.)	170 (2016)	67.43 (2016)	6.5%	10.8% (2016 est.)	12% (2004)
Nepal	Nepalese Rupee	107.46 (2016 est.) (NPR/ USD)	28.98 (2016 est.)	107 (2016)	21.14 (2016)	0.6%	7.9% (2015 est.)	25% (2016)
Sri Lanka	Sri Lankan Rupee	145.58 (2016 est.) (LKR/USD)	21.20	25% (2016)	81.32 (2016)	4.4% (2016)	3.7% (2016 est.)	28% (2016)
Thailand	Thai Baht	35.30 (2016 est.) (THB/USD)	68.86 (2016 est.)	46 (2016)	406.83 (2016)	3.2% (2016)	0.2% (2016 est.)	24% (2016)

Source: World Bank Database

APPENDIX II : EXPORT POTENTIAL

Reporter (exporter)	Partner (importer)	Actual Export	Potential Export
		(US$ billion)	
India	Bangladesh	5.67	35.58
India	Myanmar	1.14	14.55
India	Sri Lanka	4.12	15.38
India	Thailand	2.96	192.76
Bangladesh	India	0.68	38.11
Myanmar	India	1.04	10.63
Sri Lanka	India	0.75	9.79
Thailand	India	5.12	208.48

Source: ITC based on www.trademap.org

Note: The indicative potential trade has been computed for each 6-digit product. The supply is represented by the exports of the selected country to the world. The demand is represented by the imports of the selected partner country from the world. The minimum between the two from which the bilateral trade is subtracted is the indicative potential trade. The caveat is that the estimates of trade potential have to be treated with caution as they are merely indicative of the untapped trade possibilities. The estimate of trade potential is the maximum possible trade that two countries can have if they sourced all items from each other which they sourced from the rest of the world, ceteris paribus. The estimates also vary depending on the year of reference.

APPENDIX III : KEY POLICY INITIATIVES BY INDIA

Initiatives	Brief
Make in India	Launched in September 2014 to position India as a global manufacturing power, several initiatives has been taken under MII to promote manufacturing.
Digital India	To transform India into a digitally empowered society and knowledge economy and leveraging the emerging technologies in mobile, analytics, Internet of Things, several e-governance services across sectors have been launched in order to bring in transparency and promote inclusive growth.
Goods and Services Tax (GST)	It is the biggest and most difficult tax reforms in Indian history and will bring about efficiency and transparency in indirect tax system and enhance the competitiveness of industry. It will subsume over 17 state and federal taxes and establish a unified common national market, bringing benefits for government, industry, traders as well as consumers.
Start-up India & Stand-up India	To create conducive environment for start-ups, special provisions have been made for new entrepreneurs, including exemption from inspection and income tax for first three years of operation, exemption from capital gains tax, 80% rebate on patent filing fee, and option of easy exit. A Rs 10,000 crore fund has also been set-up by the government to provide funds to the start-ups as venture capital.
Insolvency and Bankruptcy Code	With the introduction of Insolvency and Bankruptcy Code, India now has a modern bankruptcy law which will not only ease the issue of firms' exit but also give a boost to credit market by providing strong legal and institutional machinery for dealing with debt defaults.
Banking Regulation (Amendment) Bill 2017	The Government has authorized RBI to direct banks to initiate insolvency proceedings against defaulters under the Insolvency and Bankruptcy Law. This is a major step and together with Bankruptcy law, it will help in resolving the NPA problem in time bound manner.
Green Energy & Power Sector reforms	The Ujwal DISCOM Assurance Yojana or UDAY scheme has led to turnaround of state distribution entities. –"Saubhagya" has been launched in September 2017 to ensure electrification of all households. India has turned around from a net importer of electricity to net exporter of electricity exporting around 5,798 Million Units to Nepal, Bangladesh and Myanmar in 2017. From ranking 99th at the global level in 2014 in terms of electricity accessibility ranking (under Ease of Doing Business), India has now moved up to 26th spot. India has set a target of 175 GW renewable power installed capacity by the end of 2022. This includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small hydro power.

Labour reforms	Factories Act, 1948 has been amended to allow women to work night shifts and permitted increase in overtime hours. Further, Apprenticeship Act has also been amended to encourage firms to induct more apprentices. Additionally, as a measure of improving ease of doing business, the government has introduced unique labour identification number, implemented online portal for registration and filing of returns. The latest Union Budget 2017-18 also proposes a significant reform of consolidating numerous labour laws, by simplifying, rationalizing and amalgamating them into 4 Codes on (i) wages; (ii) industrial relations; (iii) social security and welfare; and (iv) safety and working conditions.
Ease of Doing Business	Several measures have been taken to cut down red tape, and to lay down the red carpet, to minimise human interface and make the system efficient with technology. This will provide comfort for setting of new business and improve confidence of all investors.
FDI liberalisation	Most of the sectors are now under automatic approval route, except a small negative list. 100% FDI allowed in railways infrastructure such as high-speed train systems, suburban corridors and dedicated freight line projects, relaxed norms for NRIs, PIOs and OCIs.

Source: FICCI Research

APPENDIX IV : CUSTOMS RELATED PROTOCOLS

Some of the essential features that need to be integrated into the customs protocol in this regard would the following:

1. Provision for hinterland to hinterland movement with 'no stop at border' for sealed containers

The customs protocol should have a provision for a truck to be stuffed at a hinterland customs location in the origin country (for e.g. container freight station or CFS, or an inland container depot or ICD) and complete all export customs clearance there.

Such a customs sealed truck would not be stopped again for customs clearance at the border, but would be allowed to pass with a simple check that seals are intact. The truck would travel on to a hinterland customs location in the destination country (again an ICD or CFS) where customs clearance would take place.

In order to ensure maximum security en-route and to dispense with apprehensions related to tampering with the seal, the truck should be sealed with an electronic seal (tampering with which would send SMS based alerts with precise time and geo-location where tampering took place). In addition, GPS based monitoring that has already been discussed with regards to the temporary admission of vehicles, would also enable authorities to track any unauthorized stops or off-route activity. Integration of such measures into the protocol would enable BBIN customs to confidently allow hinterland to hinterland containerized movement of trucks and dispense with procedures at the border.

2. Integrated Check Post (ICP) and Joint Customs Inspection at border posts

While a large portion of the containerized trade would take advantage of hinterland to hinterland movements described above if provision for it is made in the BBIN cargo protocol, a large proportion of this trade in the BBIN region is related to bulk goods (industrial raw materials) and agro produce which is often not containerized. Such shipments would still undergo checks and customs clearances at the border posts.

In order to maximize the efficiency of border posts, the concept of an integrated check post (ICP) needs to be implemented to the full extent of its meaning. Essentially a BBIN ICP should have the following features:

- Well-developed infrastructure with modern truck bays and access roads
- Customs and all major agencies that is required for clearance of goods to be present at the posts. Major agencies include food and agriculture regulators textiles regulator, pharmaceutical regulator, and animal and wildlife regulator.
- Customs and regulators from BOTH countries that share the border to sit under one roof, and integrate their clearance procedures in order to eliminate duplication

- All physical examination of cargo (in cases where this is required) to be under CCTV cameras

To start with, BBIN member countries can agree to develop four to five such ICPs in the region. A good start would be the three major Indo-Bangladesh land borders, and one each on the Indo-Nepal and Indo-Bhutan borders.

3. Message exchange between BBIN member country customs IT systems

A critical trade facilitation measure for customs clearances related to overland movement of goods is the exchange of pre-arrival (i.e. arrival at the land border check post) customs declaration data between neighboring Customs administrations. The receipt of such information few hours prior to arrival of truck (empty or carrying goods) at the border allows customs administrations to carry our risk assessment and clearance protocols in advance, thereby significantly speeding up the process of actual clearance.

- This would need BBIN Customs to implement the following:
- Implement advance electronic customs declaration for overland movement of cargo
- Develop a message exchange system that allows their systems to interact and exchange information
- Enable advance risk assessment and clearance of cargo prior to arrival at land border crossing

4. Trusted Transporter Scheme

BBIN MVA protocol for cargo must incorporate a trusted cross-border transporter program which would be open to transporters or logistics services provider who provide cross-border transport. Stringent pre-requisites to qualify could be established in common agreement between the BBIN countries. Such requirements could relate to:

- Past compliance record with host country customs
- Global or national reputation
- National level accreditation from customs, for e.g. whether transporter or logistics service provider providing transport services is an approved economic operator or AEO in its host country
- Scale of operations
- Technology integration (GPS tracking enabled vehicles)
- This is not an exhaustive list, but an indicative one. Transporters who do meet such pre-requisites should receive specific benefits related to (but not limited to) the following:
- Reduced or no requirement for bank guarantee or bond where such requirements would be put in place for cross-border operations
- Expedited clearances and green-channel at the border posts

5. Well Defined Transit Procedures with online declarations

There is a definite requirement for a standard form international transit manifest (ITM) for BBIN, whose form and content is agreed upon by the customs administrations of all four countries. A truck carrying transit cargo can get this endorsed at each entry and exit points by customs administrations, and a formal report acknowledging the validity of the manifest and seal check can be properly endorsed in the manifest.

Also, some method must be found for entities that are registered in one BBIN country (say Bangladesh) to have the ability to file transit documents and undertake transit procedures with customs in another BBIN country (say India). A Bangladeshi transporter undertaking a transit operation from Bangladesh to Bhutan via India should not be required to get registered in India to file documents with Indian customs or have to use an Indian affiliate to undertake transit operations.

6. No restrictions on Less than Truckload[43]

Less than truckload (LTL) cargo, i.e. a truck carrying a consolidated cargo of several different shipments (multiple consignors and consignees) are often the most inspected at borders. Since they typically serve the smaller exporters, the transaction cost impact of such inspections (often 100%) and associated delays are also significant. Even in a Risk Managed System (RMS) environment (i.e. a system of automatic clearance for a bulk of shipments based on pre-established risk assessment parameters), the probability of some or other shipment in an LTL truck being picked for physical inspection and through check would be very high. This would essentially require unloading of shipments and physical inspection of the truck adding to delays.

The solution for such LTL trucks is to allow consolidators (for e.g. freight forwarders and express logistics firms) to have truck movement across regional borders with actual clearance happening at an inland customs station (i.e. essentially hinterland to hinterland movement of cargo discussed earlier) of convenience.

7. Enabling multi-destination shipments: Transit and Customs procedures[44]

Another critical aspect would be customs treatment of mixed cargo. The competitiveness of a freight business is based on volumes. Larger volumes bring down costs of the service and allow roll-out of better services. Therefore operational flexibilities that allow better build-up of volumes in a trade-lane are always desirable from the perspective of trade and logistical facilitation. It is in this context that combining cargoes for several destinations (i.e. mixed cargo with final destination in more than one country) in one truck (or trailer) assumes importance.

For e.g. a truck (or trailer) could carry shipments from Bangladesh for eastern UP and Nepal. Even with the suggested idea of seamless movement of sealed containers (hinterland to hinterland) are adopted, this would still require customs clearance of both Nepal and India bond goods with Indian customs and then re-export to Nepal. Direct trans-shipment would not be allowed for containers/trucks/trailers that have mixed cargo. This reduces the efficacy of having mixed cargo trucks and increases costs of servicing multi-country trade-lanes using road freight.

[43]This section largely draws upon Banerjee, P (2015)

[44]This section largely draws upon Banerjee, P (2015)

In order to allow such aggregation and economies of scale, the BBIN cargo protocol could develop an efficient trans-shipment model for mixed cargo. Trucks/containers/trailers containing mixed (i.e. multi-country destination) cargo should be allowed the facility of stuffing and sealing in customs presence at an inland location in origin country and is allowed to cross border by customs administration at both sides of the border without any further physical inspection. The truck would then travel to an inland location in the first destination country, clear the goods meant for first country in customs presence, and pick up additional goods meant for second country, and have the truck/trailer re-sealed in customs presence. The truck would then travel onto the second country without any inspection (other than seal and document check) at the border and undergo customs clearance for second country at an inland destination. Using an illustrative example, this would mean:

- A truck/trailer that is customs sealed at say a Narayanganj factory in Bangladesh would cross the Indo-Bangladesh border (both sides) without any further physical inspection (just checking of seal and corresponding of details that should be made available through EDI message exchange as suggested earlier).
- The truck would then travel onto the ICD at Varanasi, whereby only those goods meant for Indian customers would be unloaded and cleared under customs supervision
- Goods meant for Nepal from India would then be loaded on to truck (in addition to Nepal bound cargo) in custom presence and truck re-sealed for second leg of journey. The truck would travel to Nepal without any physical inspection at the Indo-Nepal border (both sides) and do customs clearance for Nepal at an inland destination.

The above process would allow agglomeration of cargo in a single journey for the wider BBIN trade-lane and greatly reduce costs by doing away with the need for multiple customs clearances and handling (loading/unloading).

APPENDIX V : ENERGY: MAPPING PROBABLE SOLUTIONS

S. No	Probable Solutions	Corresponding Challenges
1	Coordinated Legal and Regulatory Framework	a. Absence of regional Regulatory Framework & Institutions (A_3) b. Absence of Regional Stability, Political Consensus and Regulatory certainty (A_2) c. Absence of dispute settlement framework and mechanism (B_2)
2	Robust Framework for Systems Planning and Operation	a. Absence of harmonisation of Grid Codes and synergies in regional power system (B_1) b. Absence of country specific CBET framework (D_1)
3	Commercial Framework for Energy Exchanges	a. Absence of third party or open access for networks (C_2)
4	Regional Transmission Master Plan	a. Inadequate Transmission and Regional Infrastructure (D_2) b. Absence of regional competitive power market

APPENDIX VI : BRICS BUSINESS COUNCIL

BRICS BUSINESS COUNCIL
Meets twice face-to-face every year in the host country of BRICS Summit
Chairmanship of the Council stays with the host country

WORKING GROUPS (WGs)	BUSINESS FORUM (BF)
Meet twice face-to-face every year and through teleconference	Once in a year alongside the BRICS Summit
1. Manufacturing	
2. Skill Development	
3. Financial Services	
4. Energy And Green Economy	
5. Infrastructure	
6. Agri-Business	
7. Deregulation	
8. Regional Aviation	
9. Women's Business Club (proposed by Russia)	

WGs come up with Annual reports with necessary suggestions and recommendations and submit them to the BRICS Business Council.

The annual reports of the respective WGs goes as an annexure to the Annual reports of the BRICS BC which is presented to the BIRCS Heads of States during the BRICS Summit

The BRICS Business Council was established during the Fifth BRICS Summit held on 26th - 27th March 2013 in Durban, South Africa. The objective of creating the council was to constitute a platform which will:

- Promote and strengthen business, trade and investment ties amongst the business communities of the five BRICS countries;
- Ensure that there is regular dialogue between the business communities of the BRICS nations and the Governments of the BRICS countries; and

- Identify problems and bottlenecks to ensure greater economic, trade and investment ties amongst the BRICS countries and recommend solutions accordingly.

Each BRICS member country has nominated one chair and four members to the BRICS Business Council.

BRICS Business Council has a Core Group of 25 persons from five member states (5 member from each country) nominated by the highest political authority of member states.

From India, Mr. Onkar S Kanwar, Chairman, Apollo Tyres has been nominated as the Chair of the BRICS Business Council. The other members from India of the council are:

- Ms Naina Lal Kidwai, Chairman, Max Financial Services & Senior Advisor, Advent Private Equity
- Mr. Jai Shroff, Chairman & CEO, UPL Ltd.
- Mr. T V Narendran, Managing Director, Tata Steel Ltd.
- Mr. Vikramjit Singh Sahney, Chairman, Sun International Ltd.

The first meeting of the BRICS Business Council was held on 19th-20th August 2013 in Johannesburg, South Africa. In a joint statement following the first BRICS Business Council meeting, the Council comprising five business leaders from each BRICS country agreed to promote public-private partnerships among the five emerging economies.

The council also agreed to focus its collaboration efforts in areas such as infrastructure, mining and minerals beneficiation, value-added manufacturing, and sustainable development.

BRICS BUSINESS COUNCIL WORKING GROUPS

Eight BRICS Working Groups has been formed under the aegis of the 25 member Business Council. Currently there are eight WGs. Russia has proposed BRICS Women Business Club as another WGs which is yet to be recognised by the Business Council.

Each WG has 15-20 members nominated by the 25 member Business Council. The main objectives of these Working Groups are to facilitate interaction amongst businesses with a view to better understand the market opportunities and build synergies based on their respective competitive strengths and to promote industrial development and job creation.

Governments of each BRICS country nominate national business association to become Secretariat. FICCI has been designated as the nodal agency by the Government of India to act as the technical secretariat for the BRICS Business Council.



ANNEXURES

ANNEXURE I
BIMSTEC LEADERS' RETREAT 2016 OUTCOME DOCUMENT (GOA, 16 OCTOBER, 2016)

We, the Prime Minister of the People's Republic of Bangladesh, the Prime Minister of the Kingdom of Bhutan, the Prime Minister of the Republic of India, the State Counsellor of the Republic of the Union of Myanmar, the Prime Minister of Nepal, the President of the Democratic Socialist Republic of Sri Lanka, and the Special Envoy of the Prime Minister of the Kingdom of Thailand, met in Goa on 16 October 2016 for the BRICS-BIMSTEC Outreach Summit.

We express our deep sorrow at the passing of His Majesty Bhumibol Adulyadej whose contributions to global development have been recognised by the United Nations in its First Human Development Lifetime Achievement Award. We convey our heartfelt condolences to the Royal Family, the people and the Government of the Kingdom of Thailand.

We wish to express our appreciation for the opportunity of a Summit between BRICS and BIMSTEC Leaders to discuss matters of mutual interest and exchange views on important global and regional issues including the United Nations 2030 Agenda for Sustainable Development. We believe this joint Summit will lead to greater trust and understanding among countries of the two groupings, and will promote further cooperation for their mutual benefit.

Recalling the principles enshrined in the 1997 Bangkok Declaration, we reemphasize that cooperation within BIMSTEC will be based on respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in internal affairs, peaceful co-existence and mutual benefit.

We agree to intensify our efforts to realise the objectives and purposes of BIMSTEC as outlined in the 1997 Bangkok Declaration, and reaffirm that BIMSTEC has considerable potential for economic and social development through mutually beneficial cooperation in the identified priority areas. We pledge to work collectively towards making BIMSTEC stronger, more effective, and result oriented.

We recall the Third BIMSTEC Summit Declaration issued in Nay Pyi Taw on 04 March 2014, and wish to reiterate our deep commitment to BIMSTEC as an organization promoting regional cooperation and integration in the Bay of Bengal region. We recognize that our geographical contiguity, abundant natural and human resources, rich historical linkages and shared cultural heritage provide BIMSTEC the ideal platform to promote peace, stability and prosperity in our region.

Recognizing that terrorism continues to remain the single most significant threat to peace and stability in our region, we reiterate our strong commitment to combat terrorism in all its forms and manifestations, and stress that there can be no justification for acts of terror on any grounds

whatsoever. We condemn in the strongest terms the recent barbaric terror attacks in the region. We strongly believe that our fight against terrorism should not only seek to disrupt and eliminate terrorists, terror organisations and networks, but should also identify, hold accountable and take strong measures against States who encourage, support and finance terrorism, provide sanctuary to terrorists and terror groups, and falsely extol their virtues. There should be no glorification of terrorists as martyrs. We recognize the need for urgent measures to counter and prevent the spread of terrorism, violent extremism and radicalization. We express our determination to take concrete measures to step up cooperation and coordination among our law enforcement, intelligence and security organisations.

We commit to expedite the signing of the BIMSTEC Convention on Mutual Assistance in Criminal Matters, and to early ratification of the BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking.

Being acutely aware of the growing threat to our planet from climate change, and in particular to the lives and livelihoods of peoples in the Bay of Bengal region, we resolve to strengthen cooperation to protect and preserve the environment. We stress the necessity of pursuing sustainable development and of the implementation of the Paris Agreement on Climate Change at the regional and national levels.

We encourage closer cooperation in disaster management through joint exercises, sharing of information including early warning system, adoption of preventive measures, joint action on relief and rehabilitation, and capacity building. We agree to build on the existing capacities in the region and to explore the possibility of establishing partnerships with other regional and international entities in this sector.

Being convinced that the development of connectivity in various forms and manifestations is the key to promote regional integration, we express satisfaction at the continuing efforts and initiatives to advance multi-modal physical connectivity (air, rail, roads and waterways) in the BIMSTEC region. We note with satisfaction the progress achieved in implementation of the recommendations of the BIMSTEC Transport Infrastructure and Logistics Study. We agree to explore the possibility of having a BIMSTEC Motor Vehicle Agreement.

We reiterate our commitment to sustainable agriculture and food security and agree to deepen cooperation in the Agriculture Sector, including crops, livestock and horticulture as well as to intensify cooperative efforts towards increased productivity and yields of agricultural produce in the region.

Being aware that the Bay of Bengal region is home to over thirty per cent of the world's fishermen, we recognize that cooperation in sustainable development of fisheries in this region has the potential to make a significant contribution towards ensuring food security and improving livelihoods of people in our region and agree to deepen cooperation in this Sector.

We recognize the enormous potential that the development of the blue economy holds for our region, and agree to explore ways to deepen our cooperation in areas such as aquaculture (both inland and coastal), hydrography, seabed mineral exploration, coastal shipping, eco-tourism and renewable ocean energy with the objective of promoting holistic and sustainable development of our region.

We recognize that the benefits derived from mountain regions are essential for sustainable development. We call for greater efforts towards the conservation of the mountain eco-systems including bio-diversity.

We welcome the growing cooperation in energy among BIMSTEC member states. We decide to expedite the signing of the BIMSTEC Memorandum of Understanding on Grid Interconnection. We direct that steps be taken for early operationalization of the BIMSTEC Energy Centre. Given the high potential of energy sources in the region particularly renewable and clean energy sources, we agree to accelerate our efforts to develop a comprehensive plan for energy cooperation with a view to augment interconnectivity and promoting regional energy trade.

We renew our commitment to the early conclusion of BIMSTEC Free Trade Area negotiations, and direct the Trade Negotiating Committee (TNC) and Working Groups to expedite the finalization of its constituent Agreements. We also direct the TNC to expedite the negotiations on the Agreements on Services and Investment. We agree to take concrete steps to enhance trade facilitation. We also agree to offer special and differential treatment for Least Developed Countries for their integration into the regional economy.

Recognizing the need for development, access and availability of technology- including for SMEs- for promoting sustainable development across sectors, we direct for early finalization of the Memorandum of Association on the Establishment of BIMSTEC Technology Transfer Facility in Sri Lanka.

We agree to continue our collective efforts to address public health issues. We direct the BIMSTEC Network of National Centres of Coordination in Traditional Medicine and its Task Force to expand and deepen cooperation in this sector.

We resolve to create a deeper understanding and trust across the region and reiterate our commitment to promote people-to-people contact at various levels among member states. We note with satisfaction that two Meetings of the BIMSTEC Network of Policy Think Tanks (BNPTT) have been held and encourage BNPTT to organize regular consultations and programmes with stakeholders from the member states with a view to intensifying people-to-people contact. We agree to expand linkages among our educational and research institutions.

Acknowledging the civilizational, historical and cultural linkages in our region, we recognize the rich potential for development of tourism and reiterate our keen interest in taking concrete steps to promote intra-BIMSTEC tourism including specialized tourist circuits and eco-tourism. In particular, we encourage the development of Buddhist Tourist Circuit and Temple Tourist Circuit within the region.

We decide to expedite the establishment of the BIMSTEC Cultural Industries Commission and BIMSTEC Cultural Industries Observatory in Bhutan, which will serve as a repository for information on cultural industries.

We reaffirm our commitment to effective implementation of the BIMSTEC Poverty Plan of Action as adopted at the Second BIMSTEC Ministerial Meeting on Poverty Alleviation held in Nepal in January 2012 and endorsed by us at the Third BIMSTEC Summit held in Myanmar in March 2014.

We note with satisfaction that the BIMSTEC Permanent Secretariat in Dhaka has become functional since September 2014 and also appreciate the contributions made by the Government of Bangladesh in operationalizing the Secretariat.

Recognizing the year 2017 as the Twentieth Anniversary of the establishment of the BIMSTEC, we direct the BIMSTEC Secretariat to plan a series of activities to celebrate the Twentieth Anniversary and also direct our authorities to undertake such activities.

Reaffirming the imperative of making regional cooperation under BIMSTEC effective, we remain committed to hold Meetings of all BIMSTEC mechanisms in a timely and regular manner at the designated level.

We the leaders of Bangladesh, Bhutan, Myanmar, Nepal, Sri Lanka and Thailand wish to express our profound appreciation of the initiative of Prime Minister Narendra Modi to invite BIMSTEC Leaders' to the BRICS-BIMSTEC Outreach Summit, and for the warm hospitality and excellent arrangements during the Summit.

We look forward to meeting in Nepal for the Fourth BIMSTEC Summit in 2017.

ANNEXURE II
JOINT STATEMENT OF THE 15TH BIMSTEC MINISTERIAL MEETING (11 AUGUST 2017)

The Fifteenth BIMSTEC Ministerial Meeting was convened in Kathmandu, Nepal on 10-11 August 2017.

The Fifteenth BIMSTEC Ministerial Meeting was attended by His Excellency Mr. Abul Hassan Mahmood Ali, M.P., Minister for Foreign Affairs of the Government of the People's Republic of Bangladesh; His Excellency Lyonpo Damcho Dorji, Minister for Foreign Affairs of the Royal Government of Bhutan; Her Excellency Smt. Sushma Swaraj, External Affairs Minister of the Government of the Republic of India; His Excellency Mr. Kyaw Tin, Minister of State for Foreign Affairs of the Government of the Republic of the Union of Myanmar; His Excellency Mr. Krishna Bahadur Mahara, Deputy Prime Minister and Minister for Foreign Affairs of the Government of Nepal; His Excellency Mr. Vasantha Senanayake, State Minister of Foreign Affairs of the Government of the Democratic Socialist Republic of Sri Lanka and His Excellency Mr. Virasakdi Futrakul, Deputy Minister of Foreign Affairs of the Kingdom of Thailand and their respective delegations.

The Right Honourable Mr. Sher Bahadur Deuba, Prime Minister of Nepal, inaugurated the Meeting. In his inaugural address, the Rt. Hon. Prime Minister underlined the need for concerted efforts in order to advance deeper regional cooperation in the BIMSTEC region.

The Ministers also called on the Rt. Hon. Mr. Sher Bahadur Deuba, the Prime Minister of the Government of Nepal.

The Honourable Mr. Krishna Bahadur Mahara, Deputy Prime Minister and Minister for Foreign Affairs of Nepal, chaired the Meeting.

The Meeting considered and approved the Reports of the Seventeenth and Eighteenth Sessions of the BIMSTEC Senior Officials' Meetings held in Kathmandu, Nepal on 07 February 2017 and 10 August 2017 respectively.

At the conclusion of the Meeting, the Leaders of Delegation issued the following Joint Statement:

We recall the 1997 Bangkok Declaration establishing BIMSTEC and agree to intensify our collaborative efforts to realise the aims and purposes of BIMSTEC embodied therein and pledge to make BIMSTEC stronger, more effective and result oriented.

We note the progress made by BIMSTEC since we last met in Nay Pyi Taw, Myanmar on 03 March 2014.

We express our deep gratitude to the Government of the People's Republic of Bangladesh for hosting the BIMSTEC Permanent Secretariat in Dhaka and also providing the required logistical support to the Secretariat.

We further express our deep gratitude to the Government of the Republic of India for hosting the BIMSTEC Leaders' Retreat in Goa, India on 16 October 2016.

We reaffirm our commitment to intensify our efforts to realise the directives outlined and the Agenda of Action as agreed by the Leaders during the Goa Retreat.

We agree on the following:

I. TRADE AND INVESTMENT

(i) We emphasize the need for greater cooperation in trade and investment in order to deepen regional integration in the Bay of Bengal region. We recognize the paramount importance of early conclusion of BIMSTEC Free Trade Area and direct the Trade Negotiating Committee and Working Groups to expedite the finalization of its constituent Agreements.

(ii) We stress on the need to expedite the negotiations on the Agreements on Services and Investment to augment economic cooperation in the region.

(iii) We underscore the importance of trade facilitation in our region and urge authorities for early finalization of the BIMSTEC Trade Facilitation Agreement. We welcome the offer of Bangladesh to host the first Meeting of the Working Group to negotiate the Trade Facilitation Agreement. We also welcome the offer of Bangladesh to host the Sixth Trade and Economic Ministers' Meeting and the Eighth Meeting of the BIMSTEC Business Forum in 2017.

(iv) We underline the necessity of early finalization of the BIMSTEC Agreement on Mutual Assistance on Customs Matters.

II. CLIMATE CHANGE

(i) We note with great concern of the increasing threat to our planet and livelihoods of the people from climate change and agree to combat the same at local, national and regional levels. We also commit to implement the Paris Agreement on Climate Change.

(ii) We welcome the offer of the Government of Bangladesh to convene the BIMSTEC Experts' Workshop on Climate Change in 2017.

III. ENERGY

(i) We note with satisfaction that the Memorandum of Understanding (MoU) on the Establishment of the BIMSTEC Grid Interconnection is ready for signature. We agree to complete the internal procedures to sign the MoU at the earliest.

(ii) We recognize the high potentials of energy sources in the region, particularly renewable and clean energy sources and agree to expedite our efforts to develop a comprehensive plan for Energy Cooperation within the region. We agree to explore the possibilities of promoting energy trade in the region.

(iii) We welcome the offer of the Government of Nepal to host the Third BIMSTEC Energy Ministers' Meeting in the early 2018

(iv) We emphasize on the early operationalization of the BIMSTEC Energy Centre in order to strengthen energy cooperation in the region in a comprehensive manner.

IV. AGRICULTURE

(i) We note with satisfaction the progress made by the Expert Group on Agricultural Cooperation and urge the member states to collectively implement the common projects identified for enhancing Agricultural Cooperation.

(ii) We recognize the availability of vast plant biodiversity in the region and underscore the importance of enhancing cooperation in plant germplasm exchange and recommend to explore the possibility of concluding a framework agreement on plant germplasm exchange and material transfer, taking into account the readiness and internal procedures of each member state.

(iii) We endorse the convening of the First BIMSTEC Ministerial Meeting on Agriculture on a priority basis.

V. PUBLIC HEALTH

(i) We recognize the importance of the public health care among the BIMSTEC member states in holistic manner and the need to establish alliances for both traditional and non-traditional medicines.

(ii) We welcome the offer of Bangladesh to host the Fourth Meeting of the BIMSTEC Network of National Centres of Coordination in Traditional Medicine and the offer of India to host the First Meeting of the BIMSTEC Task Force on Traditional Medicine (BTFTM).

iii) We welcome the launch of BIMSTEC Tele-medicine Network by JIPMER India to strengthen collaboration among premier medical institutions in the region.

VI. TRANSPORT AND COMMUNICATION

(i) We emphasize that enhanced transport and communication is the key to regional integration and agree to expedite comments and observations on the BIMSTEC Framework Agreement on Transit, Transshipment and Movement of Vehicular Traffic (BIMSTEC Motor Vehicle Agreement) as well as the BIMSTEC Coastal Shipping Agreement with a view to negotiate and conclude these at the earliest.

(ii) We take note of Thailand's draft Concept Paper on BIMSTEC Master Plan for Connectivity and task the BTCWG to develop the draft Master Plan for further consideration.

(iii) We express our appreciation to the Asian Development Bank for conducting the BIMSTEC Transport Infrastructure and Logistics Study and note the progress made so far in implementation of the recommendations of the Study as well as look forward to its successful implementation.

VII. TECHNOLOGY

i) We recognize the huge potentials and imperative for cooperation in Science and Technology and ICT sector among the member states.

(ii) We recognize the importance of access and availability of technology for promoting sustainable development and urge the authorities to expedite the conclusion of the Memorandum of Association on the establishment of the BIMSTEC Centre for Technology Transfer Facility in Sri Lanka.

iii) We welcome the offer of Sri Lanka to host the Fourth Meeting of the BIMSTEC expert group on the establishment of BIMSTEC Technology Transfer Facility in Colombo in November 2017

VIII. POVERTY ALLEVIATION

(i) We recall the BIMSTEC Poverty Plan of Action as adopted by the Second BIMSTEC Ministerial Meeting on Poverty Alleviation in Nepal in 2012 and reaffirm our commitment to its effective implementation in line with the United Nations Sustainable Development Goals.

(ii) We welcome the offer of Sri Lanka to host the Third BIMSTEC Ministerial Meeting on Poverty Alleviation in December 2017 and also welcome the offer of Nepal to host an expert level meeting on 1 November 2017.

iii) We welcome the offer of Bangladesh to host a workshop to explore the interface between the Agenda 2030 and the BIMSTEC in December 2017.

IX. COUNTER-TERRORISM AND TRANSNATIONAL CRIME

(i) We reiterate the strong commitment of our Leaders to combat terrorism, which remains the single most significant threat to peace and stability in our region, in all its forms and manifestations, and agree to take concrete measures to step up cooperation and coordination among our law enforcement, intelligence and security organisations. We also agree to expedite the ratification of the BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking, signed in Myanmar on 11 December 2009 and also to complete the internal procedures to sign the BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters at the earliest.

(ii) We note with satisfaction that the member states have commenced negotiations on BIMSTEC Convention Against Trafficking in Persons and urge early conclusion of the Convention.

(iii) We offer our gratitude to the Government of India for hosting the First Annual Meeting of the National Security Chiefs in New Delhi on 21 March 2017.We agree to implement the recommendations of the Meeting to counter terrorism, violent extremism and radicalization; and deepen cooperation to deal with traditional and non-traditional security threats in a comprehensive manner.

X. PEOPLE-TO-PEOPLE CONTACT

(i) We note with satisfaction the conclusion of the Third Meeting of the BIMSTEC Network of the Policy Think Tanks in Dhaka, on 22-23 April 2017 and urge authorities to implement the recommendations of the Meeting in order to intensify people-to-people contact at various levels. We reiterate our Leaders' commitment in strengthening linkages among the educational and research institutions in our region.

(ii) We express our gratitude to the Government of Thailand for hosting the First International Conference on Strengthening Cultural Linkages in the Bay of Bengal region, as part of celebration of BIMSTEC 20th anniversary, for deeper understanding among the people.

(iii) We note with satisfaction that the Secretariat has organized two BIMSTEC Foundation Lectures and Ten Round-Table Meetings to promote the people-to-people contact among the member states.

XI. FISHERIES

(i) We recall the importance given by our Leaders on sustainable development of fisheries in making significant contribution towards ensuring food security and improving the livelihood of the people of our region and agree to constitute an Expert Group on Fisheries to prepare a plan of action.

(ii) We welcome the offer from Thailand to organize a "Training Workshop on Inland Aquaculture and Small-scale Inland Aquaculture Promotion for Fisheries Officers/ Biologist for the BIMSTEC/IORA Member Countries".

XII. TOURISM

(i) We agree to constitute an Ad-hoc Expert Group to establish the BIMSTEC Buddhist Tourist Circuit and Temple Tourist Circuit in the region as encouraged by our Leaders during the Retreat.

(ii) We express our gratitude to the Government of India for convening the First Meeting of the BIMSTEC Network of Tour Operators in New Delhi on 07 July 2017 and agree to expeditiously implement recommendations of the Meeting.

(iii) We note the establishment of BIMSTEC Tourism Fund by the member states and welcome the offer of Bangladesh to host the Third BIMSTEC Tourism Ministers' Round-Table.

XIII. ENVIRONMENT AND NATURAL DISASTER MANAGEMENT

(i) We welcome the offer of the Government of India to organize the First Annual BIMSTEC Disaster Management Exercise in October 2017.

(ii) We recall the directives of our Leaders for closer and intensified cooperation in Disaster Management and agree to establish an Expert Group on Disaster Management.

XIV. CULTURE

(i) We agree to expedite the establishment and operationalization of the BIMSTEC Cultural Industries Commission (BCIC) and BIMSTEC Cultural Industries Observatory (BCIO) in Bhutan as directed by our Leaders during the Retreat.

(ii) We welcome the offer of the Government of Bangladesh to host the Second BIMSTEC Ministerial Meeting on Culture preceded by a BIMSTEC Cultural Festival in 2017.

XV. BLUE ECONOMY AND MOUNTAIN ECONOMY

(i) We recall the directives of the Leaders during their Retreat to explore ways to deepen cooperation in areas of Blue Economy with the objective of holistic sustainable development of our region and agree to constitute a Working Group to determine the modalities in this regard.

(ii) We welcome the offer of the Government of Bangladesh to host an International Conference on Blue Economy in October 2017.

(iii) We welcome the offer of Nepal to host an expert level meeting on mountain economy in 2017.

XVI. BIMSTEC EMINENT PERSONS' GROUP

(i) We agree for an early establishment of the BIMSTEC Eminent Persons' Group (EPG) to recommend a future roadmap for BIMSTEC Agenda for 2030.

We note with satisfaction the activities and commemorative events undertaken so far to celebrate the Twentieth Anniversary of the establishment of the BIMSTEC. We reiterate our commitment to undertake further activities to mark the 20th Anniversary of BIMSTEC.

We note the tasks undertaken by the Secretariat since its establishment in 2014 in conducting and facilitating various BIMSTEC Meetings and events including the First BIMSTEC Film Festival in Dhaka.

We express our appreciation to the First Secretary General of BIMSTEC, Mr. Sumith Nakandala, for his valuable contribution in the operationalization and functioning of the Secretariat.

We endorse the appointment of Ambassador M. Shahidul Islam of Bangladesh as the second Secretary General of BIMSTEC with effect from 11 August 2017. However, to facilitate smooth handling and taking over, Ambassador M. Shahidul Islam will assume his responsibility on 14 September 2017 from the outgoing Secretary General Ambassador Mr. Sumith Nakandala.

We, the leaders of delegation of Bangladesh, Bhutan, India, Myanmar, Sri Lanka and Thailand wish to express our profound appreciation to the Government of Nepal for the warm hospitality and excellent arrangements made for the Meeting.

We look forward to meeting in Nepal for the Sixteenth Ministerial Meeting and the Fourth BIMSTEC Summit.

ANNEXURE III
BRIEF PROFILES OF FICCI CORE GROUP ON BIMSTEC



Ambassador Rajiv Bhatia is Distinguished Fellow, Gateway House. He is Chair of FICCI's Core Group of Experts on BIMSTEC as well as Chair of FICCI's Task Force on Blue Economy. He is a former ambassador/high commissioner to Myanmar, Mexico, Kenya and South Africa. As joint secretary in MEA, he managed India's relations with Bangladesh, Sri Lanka, Myanmar and Maldives. As Director General of the Indian Council of World Affairs from 2012-15, he played a key role in strengthening India's Track-II research and outreach activities. A prolific columnist, he regularly contributes research articles to a variety of publications - on South Asia, Southeast Asia, Africa and the Indian foreign policy. Mr. Bhatia was Senior Visiting Research Fellow at the Institute of Southeast Asian Studies, Singapore. He holds a Masters degree in political science from Allahabad University. His book India-Myanmar Relations: Changing contours (Routledge 2016) received critical acclaim.



Padma Shri Vikramjit Singh Sahney is the founder and Chairman of Sun Group, spanning across Asia, Middle East and Africa. He is the Co-Chair of FICCI's Core Group of Experts on BIMSTEC. Hon'ble President of India has conferred on him the honour of Padma Shri in recognition of his outstanding services to the nation. Mr. Sahney has held/ currently holding various prestigious positions such as Equity share holder & advisor to Foskor, Industrial Development Corporation, South Africa; Member, International Fertilizer Industry Association, Paris; Chair-SAARC Chamber of Commerce and Industry; Hony Consul – Republic of South Africa, Chairman – BRICS Agri Business Forum, Member Board of Trade, Member India UAE joint task force & member of India Egypt, India–Africa CEO's Forum. Mr. Sahney is a social activist, philanthropist, and lover of fine arts. As Chairman Sun Foundation, he has embarked upon a journey to create a humane and equitable society by reaching out to incapacitated and underprivileged society.



Deepak Amitabh is a business leader with a career spanning over 32 years of invaluable experience. An alumnus of St. Stephen's college Delhi, he started his professional career in 1984 as an IRS officer. He has held various important and challenging positions in IRS including as Financial Advisor to Director General Naval Projects, Mumbai, Additional Commissioner of Income Tax, New Delhi and Joint Commissioner of Income Tax, Mumbai. His journey in PTC began in 2003, when he came on board as a part of leadership team (CFO) and later took on the mantle of the CMD of the company in October 2012. He was instrumental in setting up of India's first power exchange in 2007. A widely recognised business leader, Mr. Amitabh is a member of various organisations including CERC, TERI, FICCI, World Energy Council, Association of Power Producers, Afghanistan-India Chambers of Commerce and Industry and Indo-Pakistan Joint Task Force on Energy.



Brig. Vinod Anand has served in the army and is alumnus of Defence Services Staff College and College of Defence Management. He was also Senior Research Fellow at IDSA. After retirement he was with United Service Institute of India for five years as a Senior Fellow before joining the present assignment in Vivekananda International Foundation. He has written extensively on military, strategic, regional and international security issues for over two decades. Apart from these, he has written several papers/articles on India's security environment, South Asian Security, India and the Indian Ocean, Strategic Trends in Asia-Pacific and ASEAN amongst others. He has authored monographs on Afghanistan, Pakistan, Myanmar, India's Look East Policy and ASEAN, Connectivity and Silk Roads. He has written on BIMSTEC, BCIM, India's Connectivity efforts towards the East and Central Asia. He has written a paper on OBOR/BRI for Sichuan University and has presented papers in international conferences on connectivity/OBOR in Europe.



Dr. Pritam Banerjee is currently Senior Director, Corporate Public Policy for Deutsche Post DHL group in India, responsible for South Asia region. In this role, he is responsible for management of regulatory affairs with governments and statutory bodies, as well as ensuring regulatory compliance for all DP DHL group companies and its clients. He has also worked with the World Bank in Washington DC, where he was part of World Bank's work on trade research and capacity building. Mr. Banerjee has served as a member in Taskforce on Transaction Costs and the Committee on Reduction of Trade Documentation set up by the government of India to reform India's trade procedures. He currently serves on the National Steering Committee for Trade Facilitation as FICCI representative. He has a doctoral degree in Public Policy from George Mason University, a MA in Economics from JNU, and a BA in Economics from Illinois Wesleyan University.



Alok Bansal is Director, India Foundation. Besides, he is also an Adjunct Professor at New Delhi Institute of Management (NDIM) and Executive Director of the South Asian Institute for Strategic Affairs (SAISA). He is also facilitator of India Policy Group (IPG) on Afghanistan for Track II Dialogues by Friedrich Ebert Stiftung. He was a Visiting Professor at the Pakistan Studies Programme of Maulana Mohammed Ali Jauhar Academy of International Studies at Jamia Millia Islamia. He has been the Executive Director of the National Maritime Foundation (NMF) and has also worked with IDSA, and the Centre for Land warfare Studies (CLAWS).

He has a naval background and served in the Indian Navy for 32 years. He has authored a book titled "Balochistan in Turmoil: Pakistan at Cross Roads" and has co-edited three books titled "South Asian security: 21st century discourses", "Pakistan Occupied Kashmir: The Untold Story" and "Sri Lanka: Search for Peace." He has written numerous chapters and research papers.



Bipul Chatterjee is Executive Director, CUTS International, a leading non-governmental group on economic policy research, advocacy and networking with its headquarters in Jaipur, India and centres in Geneva, Hanoi, Nairobi, Lusaka and Accra. He has done M.A. (Economics) from Delhi School of Economics, and B.Sc. (Economics) from University of Calcutta. He has published/edited several books and papers on political economy of trade and development.

He is representing the organisation at various fora, including presenting papers, conducting training workshops, particularly of civil society organisations on policy as well as practice aspects of economic reforms. Other than managing trade-related projects, his responsibilities include fundraising, human resource development and knowledge management. He was a Member of the Planning Commission of India's Working Group on Boosting Manufacturing Exports during the 12th Plan, 2012-17. His current area of interest is boosting sub-regional trade and economic integration among countries in the Bay of Bengal region



Dr. Prabir De is a Professor at RIS, New Delhi. He is also the Coordinator of ASEAN-India Centre (AIC), RIS. He works in the field of international economics and has research interests in international trade and development. He was a Visiting Fellow of the Institute of Developing Economies (IDE-JETRO), Tokyo; Asian Development Bank Institute (ADBI), Tokyo; and Visiting Senior Fellow of UNESCAP, Bangkok. He has been conducting policy research for the Government of India and several national and international organisations. Prof. De has a Ph.D. in Economics from the Jadavpur University, Kolkata. He has contributed several research papers in international journals and written books on trade and development. His recent publication includes "Myanmar's Integration with the World: Challenges and Policy Options (Palgrave Macmillan, 2017). He is also the Editor of South Asia Economic Journal, published by Sage.



Rajeev Dubey is the Group President (HR & Corporate Services) & CEO (After-Market Sector), Member of the Group Executive Board, Mahindra & Mahindra Ltd. His key focus areas are human capital initiatives, the after-market businesses, group communications, government relations, CSR and infrastructure. He is the Chairman of Mahindra Insurance Brokers, Mahindra Steel Service Centres and Mahindra First Choice Services, and serves on the Boards of several Group companies including Ssangyong Motors Korea, Mahindra Intertrade and Mahindra First Choice Wheels, the immediate Past President of the National Human Resource Development Network and the Employers' Federation of India, etc. He studied Economics at St. Stephens College and Delhi School of Economics and MBA from the Yale School of Management. He is a Member of the Governing Body of the ILO, serves on the Board of the International Organization of Employers, Geneva and is a Member of Council of Global Advisors of the Yale School of Management.



Dr. Sreeradha Datta is Distinguished Fellow, Asian Confluence, Shillong and former Director, Maulana Abul Kalam Azad Institute of Asian Studies, Kolkata. Post her securing an M.Phil. on South Asian integration from Jadavpur University, Calcutta, she went on to earn a Ph.D. on international terrorism at the Jawaharlal Nehru University, New Delhi. She was earlier with IDSA, New Delhi from 1999-2011 and has continued to specialize in research and policy outputs connected with India's South Asian neighbourhood and India's linkages with Southeast Asia, with a special focus on India's northeast. She is the author of six books including two edited and over 75 articles published in refereed journals, books and other academic publications and newspaper opinion pieces.

She is a regular participant in Track II dialogues for the neighbouring states as well as with China. She is a resource person for various think tanks and universities and also serves on the academic councils for several state and national Universities.



Sabyasachi Dutta is the founding Executive Director of the Asian Confluence, India East Asia, Center. Headquartered in Shillong, India, the Asian Confluence is a pan regional initiative to promote an open space for cultural and intellectual exchanges towards creating better understanding of the Eastern and North eastern region of India in the larger context of India as an emerging factor in East Asian geopolitics. Through innovative programs, the Asian Confluence provides an opportunity for civil society to enhance contact between India and her greater neighbourhood at the people's level.

Mr Dutta brings a unique combination of experiences to push this development initiative: A deep and insightful stint of grass-root development; a successful career spanning 12 years in the Silicon Valley, USA in cutting edge technology, innovation and entrepreneurship with several patents to his credit; He is a long time avid student of Indian Culture, Philosophy and Foreign policy and he speaks regularly at prestigious fora at home and abroad.



Dr. Alana Golmei holds a first class degree in MA in Political Science. She completed Ph.D. from Manipur University. She also completed Post-Doctoral research from Northeast India Studies Program, School of Social Sciences, JNU, New Delhi. She is the Director of Burma Centre Delhi, founded in 2008 to work for restoration of peace, justice, democracy and human rights in Burma and strengthen relationships between the people of India and Burma. She is also a social activist and has been spearheading for the cause of women and received prestigious awards for her work pertaining to human rights and women's rights. She founded Pann Nu Foundation in 2013 at the backdrop of the rising violence against women in today's world. The Foundation is committed to safeguard and uphold the dignity of women, and strive against all forms of discrimination and crimes against women irrespective of caste, class, race, religion and geographical region.



Dr. Vinod Juneja is presently functioning as a Senior Executive at Gitanjali Gems Ltd. Previously, he held the position of Managing Director at Braj Binani Group of Industries. Apart from this, he is Director on the board of various Public limited companies viz. Edelweiss Finance & Investments Ltd., Shristi Infrastructure Development Corporation Limited, MTS Shyam Telecom and Atria Power. Mr. Juneja also has a thirty year, vast, banking experience to his credit. His special expertise is in International Banking, Foreign Exchange Syndication and Marketing Department. He worked in various Banks including Exim Bank of India, Sanwa Bank of Japan, Chohung Bank of Korea amongst others. Mr. Juneja is an active member of leading business organizations in India such as Vice President of SAARC Chamber of Commerce & Industry, National Executive Committee Member, FICCI, Chairman of MSME etc. Mr. Juneja was conferred with the Life Time Achievement Award for his outstanding contribution by the Public Relation Society of India.



Ambassador Ashok K. Kantha is Director of the Institute of Chinese Studies, Delhi and a Distinguished Fellow at Vivekananda International Foundation, New Delhi. A career diplomat, Kantha was Ambassador of India to China until January 2016. Prior to this, he was Secretary (East) at Ministry of External Affairs in New Delhi. His previous assignments include High Commissioner of India to Sri Lanka and Malaysia, Consul General in Hong Kong, Deputy Chief of Mission in Kathmandu, and Joint Secretary (East Asia) and Director (China) in Ministry of External Affairs. Earlier, Kantha served in different capacities at Indian Missions in Singapore, China and the US, and at headquarters in New Delhi. In his diplomatic career spanning over 38 years, Kantha specialized in Asian affairs, with particular focus on China and India's neighbourhood. He has an advanced certificate in Chinese language from National University of Singapore. Kantha joined the Indian Foreign Service in 1977.



Sagar Kaushik has graduated in Agriculture Sciences with MBA and has over 35 years of experience in the Agrochemical/Agribusiness industry, including postharvest technologies. He has worked in several leadership positions with Hoechst, Agrevo, Aventis Corp Science, Bayer CropScience in countries like Thailand, Vietnam, Singapore, Germany, besides India. He has worked in different geographies around the world as part of the Bayer group with his last assignment in Germany as the Head of Crop Management. He has worked with global lead positions in the area of marketing, development and research specially bringing key technologies for rice production at level of rice growers to enhance productivity. Mr Kaushik has widely covered the important markets like India, China, South East Asia, Japan, South Korea, Brazil, and Colombia. He is COO in UPL and is also a part of network on several global forums like WEF, IFPRI, AGRA, and Rockefeller Foundation.



O.P. Lohia is the Chairman & Managing Director of Indo Rama Synthetics (India) Limited, India's second largest dedicated Polyester manufacturer. He distinguished himself with remarkable vision and outstanding leadership by venturing into Polyester business in mid-1980s. Mr. Lohia is regarded and recognised as an Industry thought leader for his business acumen and forethought of the global trends and world markets. As the Chairman of the FICCI Task Force on Textiles, he steered the Textile industry to a more competitive and organized level. His contribution to Indian economy and industry was recognised with the 'Udyog Ratna Award' by the state government of Madhya Pradesh and an 'Outstanding Personalities Award' by Karnataka Employers' Association. He is the past President of the All India Organisation of Employers (AIOE) and has represented India in the ILO conference held in Geneva. Mr. O. P. Lohia is also the Honorary Consul in India of the Republic of Lithuania.



Harvinder Manocha, COO–Hydro Business, GMR Group, has a diverse experience of approx. 30 years in Hydro power sector with excellent networking and stakeholder management skills. He has worked with companies like Thapar Hydro Consult, Triveni Engineering, Voith Siemens Hydro, Triveni Engineering and Reliance Energy prior to GMR Group, where he has been working for more than 10 years in Business Development, Project Development & Management of Hydro Projects. His ability to influence people, handle delicate and socio-politically sensitive issues and also domestic/international financial institutions has demonstrated success in various assignments that he has handled in the past. Mr. Manocha has done his civil engineering from Delhi School of Engineering and MBA from Indian Institute of Foreign Trade (IIFT), New Delhi.



Ambassador Rajeet Mitter was educated at the Universities of Calcutta and Cambridge, and joined the Indian Foreign Service in 1977. His early career included postings in the Indian diplomatic missions in Iraq, UK, Yugoslavia and Singapore. He also served as Director, Department of Economic Affairs, Joint Secretary (Gulf), Ministry of External Affairs and Joint Secretary (Trade Policy), Department of Commerce. He was appointed High Commissioner to Botswana in 1998, Ambassador to the Philippines in 2006 and High Commissioner to Bangladesh in 2009. He retired from the IFS in 2011 and now lives in Delhi.



Rajat M. Nag is concurrently a Distinguished Fellow at India's National Council of Applied Economic Research, Delhi and Emerging Markets Forum, Washington DC. He is a Distinguished Professor at Beijing Normal University, China and serves as Chair, Act East Council of the Indian Chamber of Commerce. He is also on the Boards of several organizations. Mr. Nag was the Managing Director General of the Asian Development Bank (ADB) during 2006-2013. Mr. Nag's keen interest is in working to enhance regional cooperation in Asia and bridging the gap between the regions's rich and the poor. He holds engineering degrees from the Indian Institute of Technology, Delhi and the University of Saskatchewan, Canada. He also has a MBA from the University of Saskatchewan and M.Sc (Econ) from the London School of Economics. Mr. Nag was awarded Doctor of Laws (Honoris Causa) by the University of Saskatchewan, Canada in May, 2016.



Sushant Naik has been working as National Head – Government Affairs, Tata Motors and Vice President, Tata Services since March 2014. He is playing a key role in planning and implanting key advocacy issues of Indian Automobile Industry and advocacy issues of various Tata Group companies with Central and State Governments. He is also involved in supporting Tata Motors with respect to critical policy matters. Earlier, Mr Naik worked as a CEO of EMC West Asia JLT (Dubai) / EMC Ltd. (India). He was National Head – Government Banking Group, ICICI Bank between 2003 and 2011. Mr Naik started his professional career with SICOM Ltd. where he played leading role as advisor to the government of Maharashtra on privatization of various infrastructure projects. Currently he is a member of Executive Council of Society of Indian Automobile Manufacturers (SIAM). He is heading the Bilateral Trade Committee constituted by Indo-American Chamber of Commerce (IACC).



Dr. Smruti S Pattanaik is a Research Fellow at the Institute for Defence Studies and Analysis (IDSA), New Delhi. She holds PhD in South Asian Studies from JNU. She was Asia fellow at the department of international relations, Dhaka University in 2004 and 2007 and received Kodikara Fellowship in 1999. She was also a postdoctoral fellow at CERI, Paris in 2008 and visiting fellow at PRIO in 2011. She has lectured on India's foreign policy at the Colombo University, Sir John Kotelawala Defence University, Asia Centre in the University of Melbourne, University of Karachi, University of Peshawar, Jahangirnagar University and University of Dhaka. Dr Pattanaik has published over 50 articles in journals and has over 40 chapters in edited books. She has authored "Elite Perception in Foreign Policy: Role of Print Media in influencing Indo-Pak relations, 1989-99" and has edited two books, "South Asia: Envisioning a Regional Future" (2011), "India-Bangladesh relations: Historical Imperative and Future Direction (2012).



Ambassador V.S. Seshadri joined the Indian Foreign Service in 1978 and served in several diplomatic posts during his career that included Nairobi, Brussels, Bangkok, Tehran and Washington DC. He was also on deputation to the Ministry of Commerce from 1999 to 2003 when he was the Joint Secretary responsible for WTO matters. Dr. Seshadri was the first resident Ambassador of India to Slovenia, Ljubljana from 2007 to 2010. He then went on to serve as India's Ambassador to Myanmar, in Yangon from 2010 till 2013. On return to India he held the position of Vice-Chairman of the think tank Research and Information System for Developing Countries (RIS), New Delhi. Dr. Seshadri had his college education in Bangalore and Hyderabad and secured his PhD. in Applied Mathematics from the Indian Institute of Science, Bangalore in 1978. He has contributed a number of research articles and discussion papers on trade and other international economic issues.



Chintan Shah is President with SUZLON Energy Limited, heading the Strategic Business Development division. He has been associated with the field of renewable energy for more than 18 years by now. His core expertise lies in understanding the policy and regulatory frameworks, procurement tariff estimation, financing, designing & implementation of renewable energy projects in general, and wind energy in particular. At SUZLON, the group he has been associated with more than 14 years, he is also involved in creating new and innovative business model for the group, and identifying newer opportunities in and around wind energy sector. He also is the Vice-Chairman of Indian Wind Turbines Manufacturers Association (IWTMA) in India. Prior to SUZLON, he was working in the renewable energy division at TERI; where he worked on a variety of joint research projects with multiple agencies (international and domestic). He graduated as a Chemical Engineer from the M S University of Vadodara.



Sudhir Sharma, Director (Exploration) on the Board of ONGC Videsh, has more than three decades of experience in Exploration management. He has served in various capacities in different E&P projects in ONGC and ONGC Videsh. Previously, he was Country Manager and Legal Representative for Company's Colombia operations. In the last one year, under his leadership, ONGC Videsh has maintained a Reserve replacement of more than unity and added over 120 MMtoe of 2P reserves through exploratory efforts & overseas acquisitions. In 2003, consequent upon the acquisition of a stake in Sudan, Mr. Sharma led two Exploration Blocks in the GNPOC contract acreage in the country. Mr. Sharma started his professional career in 1980 when he joined ONGC's prestigious Institute of Petroleum Exploration in Dehradun as a Graduate Trainee after obtaining a Master's degree in Geology from Lucknow University. He pursued higher studies leading to M. Tech in Petroleum Engineering from ISM Dhanbad.



Mohan Shukla has been working with Bharti Enterprises Limited (AIRTEL) for nearly four years, having hard-wired to handle crucial and critical engagements with the Central Government as well as State Governments for all the group companies. Prior to the above, he has had handled leadership roles in the TATA Group and subsequently two top-notch French Multinational Companies - Pernod Ricard India and Carrefour India, interfacing and interacting with the Central Government and State Governments. In addition, he has handled Corporate Media Management for these organizations in the capacity of Companies Spokesperson also.

Further, he has, actively and assiduously, been contributing in various Industry Chambers. And, currently, he serves in two committees of FICCI viz. FICCI's Core Group of Experts on BIMSTEC & SAARC Chamber of Commerce and Industry in FICCI. He has served as the Vice-President of Public Relations Society of India (PRSI) for nine long years.



K M Singh is the Former Chairman & Managing Director of NHPC. Prior to joining NHPC Board, Mr Singh was heading NHDC – a joint venture company of NHPC and Govt. of Madhya Pradesh, as Chief Executive Director, since June 2008. Mr Singh is an Electrical Engineering graduate from Gorakhpur University, Uttar Pradesh. He began his professional career as an Executive Trainee in NHPC in 1979. Mr Singh has over 38 years of rich and varied experience in the field of Hydro power engineering to his credit. During his tenure, he has been involved in construction, erection, testing & commissioning, quality assurance and operation and maintenance of various projects/ power stations. He is well versed with all the facets of Hydro Power Development and has been instrumental in propounding best practices. He has contributed immensely towards making NHPC a vibrant and energetic organization. He has been appointed on NHPC Board as CMD on 23rd September 2015.



Pankaj Tandon, Vice President (T&D) is currently spearheading the SAARC & Myanmar Business for KEC International Limited. He has been a seasoned professional with significant experience in commercial, Business Development, Project Management and operations in Tyre, Telecom and T&D Industry with overseas stint in Italy, South East Asia and SAARC. He is leading operations and multiple projects in Afghanistan, Bangladesh, Bhutan, Nepal, and Sri Lanka and Myanmar.

He holds a Management degree from MDI and is member of Institute of Cost and Management Accountants. He also earned Advanced Diploma in Management Accounting from Chartered Institute of Management Accountants, UK. He represents SAARC interests on various forums especially on inter regional trade and connectivity. He is an avid Golfer and animal lover. He represents business in SAARC Chamber of Commerce. He strongly believes in the SAARC economy-system and promotes complementarities within the region.



Rajiv Wahi has over 29 years of international marketing and general management experience dealing with well-known and reputed International brands like Toyota, Daewoo, Volvo, Sonalika and now. He has varied experience of leading and establishing products in segments like automobiles, tractors, farm equipment, components and gensets etc. He is passionate about Africa and believes that Africa holds the key to food scarcity challenge faced by coming generations.

A Post Graduate in Business Management, Mr. Wahi is heading International Business Division for Escorts Agri Machinery Group which is presently spread across 6 continents in over 60 countries. He was in South Africa for five years and travelled across the Africa continent establishing valuable network and relations. He has also widely travelled in over 85 countries in North and South America, Asia and Europe developing long term associations and business relations.



Dr. K. Yhome is a Research Fellow with ORF's Neigbhourhood Regional Studies Initiative. His research interests include India's regional diplomacy, regional and sub-regionalism in South and Southeast Asia, the Bay of Bengal region and China's southwest provinces. Of late his research has focused on developments in Myanmar and the evolving geopolitics in the Bay of Bengal. Before joining ORF he worked as an Editorial Assistant for Indian Foreign Affairs Journal. Yhome has a PhD and an MPhil from Jawaharlal Nehru University, New Delhi, and an MA (Political Science) from Hyderabad Central University. He is the author of "Myanmar: Can the Generals Resist Change?" and has contributed chapters in edited books and articles in national and international journals/magazines.

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Established 90 years ago, FICCI is the largest and oldest apex business organization in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies.

A non-government, not-for-profit organization, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry, reaching out to over 2,50,000 companies. FICCI serves its members from large (domestic and global companies) and MSME sectors as well as the public sector, drawing its strength from diverse regional chambers of commerce and industry.

The Chamber with its presence in 14 states and 10 countries provides a platform for networking and consensus-building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.