

REPORT OF THE THIRD BIMST-EC SENIOR OFFICIALS' MEETING NEW DELHI, 4-5 JULY 2000

The BIMST-EC Senior Officials' Meeting (SOM) was held New Delhi from 4th to 5th July 2000, prior to the Third BIMST-EC Ministerial Meeting on 6 July 2000.

The List of the Participants from Bangladesh, India, Myanmar, Sri Lanka and Thailand at the SOM is at Annex 1.

Nepal participated in the SOM as an Observer, and attended the Open Session of the SOM.

The Agenda adopted by the SOM is at Annex 2.

Bangladesh reported on the activities of BIMST-EC since the Second Ministerial Meeting held in Dhaka in December 1998.

Bangladesh handed over the Chairmanship of the SOM thereafter to India.

A Report on the BIMST-EC Working Group meeting was presented by Bangladesh, which chaired the Working Group meeting since the holding of the second BIMST-EC Ministerial Meeting in Dhaka in December 1998. The SOM conveyed its appreciation for the work done by the Working Group. A copy of the Report is at Annex 3.

The SOM felt that there was a bright future for BIMST-EC, and that it was the right time for the grouping to move to a higher level of cooperative effort and activity. In keeping with this approach, the SOM considered the various items on the Agenda and agreed as follows:

1. Level of the BIMST-EC Ministerial Meeting

After considerable discussion on this issue, it was felt that there should be greater consolidation and progress in BIMST-EC's cooperative endeavors before the SOM could recommend that the BIMST-EC Ministerial Meeting, which is currently at the level of the Ministers of State/deputy Ministers of Foreign Affairs of the Member Countries, be upgraded to the level of Foreign Ministers.

2. Functional Responsibilities of BIMST-EC

The functional responsibility of the BIMST-EC Ministers (i.e. from the Foreign Ministries) and the BIMST-EC Trade and Economic Ministers was discussed in considerable detail. In this context, reference was made to the Bangkok Declaration of June 1997, which established BIMST-EC, in which it is stated that economic cooperation under BIMST-EC would cover projects in the sectors of trade, investment and industry, technology, human resource development, tourism, agriculture, energy, and infrastructure and transportation. The Bangkok Declaration was adopted by the BIMST-EC Ministers of State for Foreign Affairs who were expected to provide the political direction, the coordination, and the vision for such cooperation under BIMST-EC. Hence, the responsibility of the BIMST-EC Ministers is the overall coordination and promotion of sub-regional cooperation in all identified areas.

On the other hand, the BIMST-EC Trade and Economic Ministers would oversee and guide the interaction among the BIMST-EC countries for promotion of trade and investment.

3. Economic Forum

The SOM considered and took note of the Report the First BIMST-EC Economic Forum held in New Delhi on 3 July 2000. The SOM agreed that the Economic Forum with the participation of

the private sector, had made very valuable recommendations for trade and economic cooperation among the BIMST-EC countries, and had suggested practical measures for facilitating business exchange. The SOM agreed to forward the Report of the Economic Forum to the BIMST-EC Ministerial Meeting, for inclusion of some of the recommendations of the Economic Forum appropriately in the Joint statement of the Third BIMST-EC Ministerial Meeting. The report of the Economic Forum is at Annex 4.

4. Organisational Issues

Since BIMST-EC, as an association, had several for as well as sectors of cooperation, it was essential to better streamline BIMST-EC meetings and interaction. In this context, SOM discussed some of the important organizational matters referred to in the paper forwarded by the BIMST-EC Working Group in Bangkok, and agreed as follows:

- i) to recommend that the BIMST-EC Ministerial Meeting be held every year in February, in order to reduce scheduling difficulties.
- ii) that the SOM meet twice a year - once in February back-to-back with the BIMST-EC Ministerial Meeting, and again in September to review progress in the areas of cooperation.
- iii) that in their meetings, representatives from the Ministries of Trade/Commerce of the Member Countries should also be included. The SOM also recommended that, likewise, in the Senior Trade and Economic Officials Meeting (STEOM), which is held before the BIMST-EC Trade and Economic Ministers Meeting, representatives from the Foreign Ministries of the Member countries should also be included. This would effect appropriate coordination.
- iv) That the Sectoral Meetings in respect of the BIMST-EC lead sectors of cooperation should be organised before the SOM that is held back-to-back with the Ministerial Meeting.
- v) that the system of SOM meeting twice a year in February and September commerce from the year 2001, since there was not sufficient time for a second SOM to be organized in September 2000 so soon after its present meeting.
- vi) that in the Economic Forum Meeting, with both government and private sector participation, the Governments should be represented by both the Foreign Ministry as well as the Trade/Economic Ministry of each Member Country.
- vii) that the Working Group would continue to be based in Bangkok, and that the Chairmanship of the Working Group would rotate with the Chairmanship of SOM.
- viii) Coordination of the activities of the various expert groups was also discussed. The SOM strongly felt the need for a mechanism for processing all the recommendations of the Sectoral Committees, sub-Sectoral committees and any other expert groups under BIMST-EC to the SOM and the Ministerial Meeting so that they can be considered and implemented. As suggested by the BIMST-EC Working Groups in Bangkok, the Working Group can perform the function of the preliminary examination of the work of the various Sectoral Committees, Expert Groups, etc. In this connection, the SOM approved the Terms of Reference drawn up by Sri Lanka and Thailand, so that these bodies could report, in an appropriate format, both to the Working Group and to the SOM.
- ix) in view of the difficulties in respect of the actual implementation of projects agreed upon in the Sectoral Committees, it was agreed that the Working Group in Bangkok would examine all the related issues and make suggestions for the consideration of the governments of the member countries.
- x) that the Business Editors Meeting was useful to publicize BIMST-EC and to promote the image of this Association. It was, therefore, agreed that the host country of the BIMST-EC Ministerial Meeting would try to organize a Business Editors' Meeting before the SOM.
- xi) The designs submitted for the selection of the Logo of BIMST-EC were seen by the SOM. It was agreed that Selection No.2 (the circular design) could be

considered after changing the present color combination of green with gold. The design is attached as Annex 5.

5. Tourism

Sri Lanka made a presentation on cooperation in the Tourism Sector covering Specific action point which emerged from the Expert Group Meeting held in Colombo in August 1999. These action points cover travel facilitation, human resource development, incentives for tourism development, environmental management of tourism and cultural preservation, strengthening of transport network, marketing and promotional strategies etc. It was also noted that the year 2001 has been declared as the 'Visit BIMST-EC Tourism Year'. The SOM agreed that the BIMST-EC countries should organize themselves to promote tourism in the year 2001. Buddhist tourism was also noted as one with special prospects in the region. In this connection, it was also felt that the national airlines may be requested to provide special air fares for travel within BIMST-EC countries to promote tourism during the year. It was also agreed that Sri Lanka would hold the second Expert Group Meeting on Tourism as soon as possible.

The SOM agreed that peace and security are pre-requisites for economic development and prosperity. In this regard, the SOM took note of the adverse impact of terrorism and the threat which it poses to all economic activities in the region, and emphasised the view that cooperation amongst BIMST-EC member states needs to be enhanced to address this problem.

6. Energy

Myanmar made a presentation on the progress of cooperation in the Energy Sector. A BIMST-EC committee of Experts and Officials met in June 2000 in Yangon, and finalised and agreed on Plans of Action for two identified projects. These projects are Energy Infrastructure Development Project (Natural Gas) the coordinating country for which is Thailand, and Research & Development of New and Renewable Sources of Energy, the coordinating country for which is India. The two Plans of Action mainly call for the establishment of an Information Centre in the Lead Country, Myanmar, and the formation of a Task Force each for the implementation of the two identified projects. The Expert Group Meeting identified that cooperation among the BIMST-EC Countries could cover sharing of energy-related information and data, sharing of technology and experience, and cooperation in energy development programmes. It was also recommended that BIMST-EC identify and target sources of support for these cooperative activities.

The SOM endorsed the Report and the agreed suggestions of the Committee of Experts and Officials on Energy in the two Plans of Action, and urged the quick implementation of the identified projects.

7. Trade and Investment

Bangladesh made a presentation on the activities undertaken so far in the Trade and Investment sector. It was recognized that the mandate for the formation of the Economic Forum had been fulfilled in terms of the Preparatory Meeting for the Economic Forum which was held in Dhaka in November 1999 which drew up the Concept Paper for the Economic Forum, and the first meeting of the Economic Forum which was held in New Delhi on 3 July 2000. The SOM noted that Expert Meetings had taken place in Trade and Investment sub-sectors relating to Textile and Clothing, Drugs and Pharmaceuticals, Gems and Jewellery, and Processed Foods. The SOM urged the respective Chair Countries to ensure that Meeting in Sub-sectors in Automotive Parts, Coconut and Spices, Horticulture and Floriculture, Rubber, Tea & Coffee be held before the end of the year.

The SOM also discussed the trade and investment promotion measures reflected in the Agreed Conclusions of the Second Meeting of the BIMST-EC Trade and Economic Ministers, and agreed to recommend to the BIMST-EC Ministers the Initiatives proposed for trade facilitation such as customs harmonisation, transport facilitation, pre-shipment inspection etc.

8. Technology

India made a presentation on the possibilities of sharing indigenously-developed technologies among the BIMST-EC countries. In this connection, new composites providing alternative uses for jute and coir that have been indigenously developed were mentioned. The SOM agreed that technology exchanges were an important aspect of BIMST-EC activity, and that we should make an effort to pool our resources and share the technologies available in our countries. Since technology covered a very wide area, it was felt that over the next few weeks, Member Countries could identify select technologies that they could share with and technologies that they sought from other BIMST-EC countries. On the basis of this information, India would organize a meeting of experts from the Ministries of Science and Technology from the Member Countries. It was agreed that private sector representatives could also participate in this meeting. This meeting would be able to get a full overview of cooperation in the technology sector, and then identify select possibilities of technology exchange and cooperation, including information technology, biotechnology etc.

9. Transport and Communications

India had taken over as the lead country for this sector in April 2000 at the Second BIMST-EC Trade and Economic Ministers Meeting. India made a presentation on the possibilities of cooperation in this sector with a focus on transportation linkages through highways, railways, waterways and multi-modal transportation. Aspects relating to financing and financing options were also highlighted. The agenda for BIMST-EC's collaboration in the transportation sector includes joint ventures, technology partnerships, development of capabilities, and consultancy, including the promotion of multi-modal transportation by development of terminals, cross-border facilitation, and safeguards against illegal cargo movement. The SOM agreed that we should identify and implement select projects after focused studies and the preparation of bankable projects.

The SOM also agreed that we should examine the possibilities of facilitating maritime transport through relevant shipping agreements which would also include facilities and concessions among BIMST-EC countries in respect of cargo, traffic movement, etc.

It was also agreed that, under this sector, we should examine projects for improving telecommunication facilities among the BIMST-EC Countries.

10. Fisheries

The SOM noted that the Sectoral Committee Meeting on Fisheries had been postponed a few times owing to scheduling difficulties, and agreed that the Sectoral Committee on Fisheries should meet at an early date to identify ways and means and areas of cooperation. The Terms of Reference for the BIMST-EC Sectoral Committee on Fisheries had been drawn up and circulated to the Members Countries. The SOM took note of Thailand's proposal on Terms of Reference on Fisheries concerning the possible areas of cooperation, which include the promotion of trade and investment, research and development, and technical cooperation in this field. In this context, the SOM took note of problems arising out of the existence of illegal fishing in the region.

11. Other Sectors

The SOM agreed that in view of their importance to region, BIMST-EC should also cooperate in areas like agriculture and disaster management. These areas, therefore, could also be taken up in the future work programme of BIMST-EC.

12. Draft Joint Statement of the Third BIMST-EC Ministerial Meeting

The SOM considered the draft Joint Statement to be put up to the Third BIMST-EC Ministerial Meeting.

13. Date and Venue of the Fourth BIMST-EC Ministerial Meeting

The SOM welcomed the offer by Myanmar to host the Fourth BIMST-EC Ministerial Meeting in February 2001 in Myanmar, at which meeting the Chairmanship of BIMST-EC would pass from India to Myanmar.