

## **Revisiting Economic Cooperation in BIMSTEC in Post-COVID 19**

1630 hrs, Tuesday, 30 June 2020 RIS, New Delhi

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- His Excellency Mr. V. Muraleedharan, Hon'ble Minister of State for External Affairs, Government of India;
- Ambassador Dr. Mohan Kumar, Chairman, RIS,
- Professor Shachin Chaturvedi, Director General, RIS;
- Eminent speakers from BIMSTEC Member States;
- Ladies and Gentlemen. *Good afternoon.*

It is a great honor for me to join today's virtual seminar on the theme “*Revisiting Economic Cooperation in BIMSTEC in Post COVID-19*”. To begin with, let me express my deep appreciation to RIS (Research and Information System for Developing Countries) for organizing this event and inviting me to speak. BIMSTEC is privileged to have long-standing collaboration with RIS. In 2010, RIS took the leading role to establish BIMSTEC Network of Policy Think Tanks (BNPTT), bringing together 7 reputed think tanks from seven BIMSTEC countries. Since its inception in 2010, BNPTT remains the most effective platform to enhance people-to-people contact in the BIMSTEC region. I am glad that all seven think tanks are being represented today by eminent speakers.

02. I am particularly grateful to His Excellency V. Muraleedharan, Hon'ble Minister of State for External Affairs of India, who has made it possible to join us despite his extremely busy schedule.

03. The COVID-19 pandemic has brought unprecedented challenges to BIMSTEC countries. While the pandemic was initially a health crisis, it is turning into an economic crisis by seriously disrupting trade, travel and

domestic economic activities. A huge number of workers engaged in the informal sector in BIMSTEC countries have lost their livelihoods. The success of BIMSTEC countries in poverty reduction is being eroded on a daily basis as the pandemic takes away their income sources. BIMSTEC governments are forcefully responding to this immediate challenge with large rescue packages. However, if the pandemic prolongs, it is going to seriously affect economic growth and overall welfare of our people.

04. Like the rest of the world, BIMSTEC countries' initial response to the pandemic was to restrict trade, travel and other forms of connectivity. It is heartening to see that they are increasingly opening up trade and transport connectivity to restore essential supply chains, and trying to strike a balance between lives and livelihoods.

05. The COVID 19 crisis has underlined the need to develop uninterrupted supply chain for food, medicines and other essential commodities. Trade facilitation measures including simplification of customs procedures will be very important to retain and further solidify supply chain in the region. BIMSTEC's intra-regional trade, which is only 6% today, can be increased significantly by concluding the long pending BIMSTEC FTA and Customs Cooperation Agreement. BIMSTEC Economic Forum and BIMSTEC Business Forum, which were established many years ago to ensure government-private sector interface have lost their momentum. I would encourage BNPTT to introduce Track 1.5 BIMSTEC Economic Dialogue involving government officials, businessmen, academia and think tanks to fill up the vacuum.

06. Renewed emphasis is needed to develop a resilient regional transport connectivity system with particular focus on coastal shipping, waterways and railways. In particular, BIMSTEC Coastal Shipping Agreement needs to be

concluded immediately to avoid high cost and political sensitivity that may be associated with land transport.

07. Tourism and hospitality industry has become a big casualty of COVID-19. It will be challenging to restore intra-regional tourism before the pandemic subsides. In the meantime, Member States may concentrate on developing necessary tourism infrastructure so that domestic tourism can flourish in the short term, and the ground is ready for more efficient cross-border tourism in the medium- and long-term. For instance, most of our touristic sites do not have parking space with modern toilet facilities. It will also be important to develop regional protocol to ensure more predictable ways to handle business travel, medical tourism, students and pilgrims. The ongoing BIMSTEC Tourism Promotion Study by ADB is expected to make a set of recommendations covering these issues.

08. In the post COVID-19 period, public health is expected to get renewed attention in the work of BIMSTEC. BIMSTEC Task Force on Traditional Medicine has met three times and discussed ways of sharing knowledge, experience, and areas of collaboration. One of the agreed strategies is “Collaborative research on identified diseases of priority in the region”. As COVID 19 pandemic is the most immediate threat to public health in the region, our experts in traditional medicine could work collaboratively in finding ways to combat COVID 19. Dr. Manoj Nesari, Adviser, Ministry of AYUSH, Government of India has proposed collaborative work on Ayurvedic intervention for prevention and management of COVID 19. The Secretariat hopes that a formal proposal from the Ministry of External Affairs would follow, enabling the Secretariat to place this on the agenda of the next meeting of the BIMSTEC Task Force on Traditional Medicine. The mandate of BIMSTEC also covers Member States’ cooperation to produce skilled

manpower in the health sector. Establishment of regional value chain for pharmaceutical industries is another area that may need renewed attention; with strong pharmaceutical industries in the BIMSTEC countries, especially in Bangladesh, India and Thailand, this seems viable.

09. BIMSTEC is very badly impacted by COVID-19 with regard to migration, both internal and transnational. [With crashing of oil prices and its impact on the economy of the Middle East countries, many of the returnee migrant workers from Bangladesh, India or Nepal may not be able to get their jobs back in the immediate future. Additionally, internal migration within our countries has brought serious miseries to workers, showing the extent of regional disparity in economic development within a country.] BIMSTEC countries would need to create jobs for returnee migrant workers and workers in informal sector. Establishment of labor-intensive industrial clusters along economic corridors traversing the region could be one approach to deal with this issue. I know that Prof Prabir De had worked on this subject some years ago.

10. Evidently, COVID 19 will not be the last calamity to befall our region. The economic gains registered by BIMSTEC countries are constantly being threatened by natural disasters, climate change, pandemics, poverty and economic disparity. Considering the vulnerability of agriculture sector in our region to the vagaries of the nature, Agriculture and Food security should be further emphasized in the post-Covid 19 BIMSTEC cooperation. The economic impact of COVID 19 pandemic is unlikely to go away within a short time. This will be a time for BIMSTEC Member States to create economic activities through more intra-regional trade, transaction and transport infrastructure building. This will also be a time for Member States to invest more in human security.

11. Revisiting economic cooperation may not necessarily involve reopening of agreed areas and modes of economic cooperation. Over the years, BIMSTEC has taken a concrete shape with necessary institutional structure, clear mandate and focused areas of activities. Our leaders have given us clear directives; we would need to devote more time, energy and commitment to translate those into concrete actions. Thank you.