

Remarks by the Secretary General of BIMSTEC at the  
FORUM OF THE OECD SOUTHEAST ASIA REGIONAL PROGRAMME  
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## CONNECTING SOUTHEAST ASIA

### **Session 3: Inter-Regional Connectivity: Connecting the Connectivities**

**01. Mr. Moderator**, distinguished panelists, ladies and gentlemen, Good afternoon. First of all, I wish to thank OECD for inviting me to take part in the panel discussion dedicated to the theme of **Inter-Regional Connectivity**. It gives me an opportunity to learn from you about various streaks of connectivity initiatives in the South and Southeast Asian region and share with you the BIMSTEC perspective on enhancing connectivity in the South and Southeast Asian region.

**02. BIMSTEC** or The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) draws its membership from both South Asia and Southeast Asia: Five Member States namely, Bangladesh, Bhutan, India, Nepal and Sri Lanka are from South Asia while two Member States namely Myanmar and Thailand are from Southeast Asia. All the seven Member States of BIMSTEC are littoral or adjacent to the Bay of Bengal. **Historically**, the Bay of Bengal used to be a centre for global maritime trade, and a hub of commercial and cultural exchange. Today, this region is one of the least integrated regions in the world, both in terms of physical connectivity as well as trade and economic connectivity. One of the priority areas of BIMSTEC cooperation is to restore the historical connectivity in order to promote trade and investment, tourism, people-to-people contact and cultural exchange to contribute to the sustainable development of this region.

**03. Currently,** there are various streams of connectivity initiatives going on in the region. The most original connectivity initiative was undertaken by UNESCAP by way of Asian Highway Network and Trans-Asian Railway. ASEAN and SAARC have their own initiatives on connectivity. There are also sub regional initiatives like BBIN and ACMECS. In this atmosphere of so many overlapping and complementary connectivity initiatives, BIMSTEC becomes relevant in two ways. *First,* BIMSTEC with its unique geographic location can play the role of bridging South Asia and Southeast Asia in terms of inter-regional connectivity. *Second,* BIMSTEC Member States are surrounding the Bay of Bengal, which is not only a space to support regional trade and transport connectivity, but it also connects international maritime trade route between the Indian Ocean and the Pacific Ocean.

04. For obvious reasons, our primary focus is on establishing physical connectivity within the BIMSTEC region. BIMSTEC is now negotiating two agreements: BIMSTEC Motor Vehicles Agreement [for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between and among BIMSTEC Member States]; and BIMSTEC Coastal Shipping Agreement. We have completed the first round of negotiation on these two draft agreements, and the next round of negotiation will take place soon. In addition, BIMSTEC is currently developing a **Transport Connectivity Master Plan** with a vision to promote seamless connectivity between and across BIMSTEC countries through the use of different transport modes, to achieve enhanced transport and trade linkages for faster and more inclusive growth. We are developing the Master Plan with technical assistance from ADB.

05. This Transport Master Plan Study is a sequel to the earlier study titled **BIMSTEC Transport Infrastructure and Logistics Study (BTILS)** conducted in 2007 and further updated in 2014. BTILS had identified 167 projects to enhance the connectivity in the Bay of Bengal region at an estimated cost of 45-50 billion USD. Many of those identified projects have either been completed or are ongoing; hence the need for a new Transport Master Plan Study to identify and address the remaining missing links and bottlenecks to have transport infrastructure ready for seamless connectivity surrounding the entire Bay of Bengal region and beyond. In this study, development of inland waterways has been given due importance considering its relevance for two land locked countries – Bhutan and Nepal – to support their access to the Bay of Bengal through multi-modal/intermodal transportation routes.

06. Because of BIMSTEC's unique geographic position as a bridge linking South and Southeast Asia, the Transport Connectivity Master Plan is strategically relevant not only for BIMSTEC but also for its neighboring regions. In the 4<sup>th</sup> BIMSTEC Summit Declaration the Leaders agreed that the Transport Connectivity Master Plan would serve as a strategic document that guides actions and promotes synergy among various connectivity frameworks, such as the ASEAN Master Plan on Connectivity 2025 (MPAC 2025) and the Ayeyawady–Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), to achieve enhanced connectivity and sustainable development in our region. With better transport links and faster border crossings throughout South and Southeast Asia, we can truly connect the connectivities between the two sub-regions through Myanmar

and Thailand and beyond. We have already made significant progress and we intend to finalise the Master Plan in this calendar year.

07. Development of connectivity – both physical and institutional – will involve huge investment. It will require commitment from the Member States and international development partners to implement projects identified in the BIMSTEC Master Plan. We expect financing of the projects will be through the National Governments, World Bank support, ADB Support, PPP, BOT mode, Private investment etc. We have not yet quantified the investment that will be required to support and execute various connectivity projects that will be identified in the Master Plan. We will have a clear picture once the study is complete.

08. While we talk of physical connectivity, it is also important to talk of trade and economic connectivity as well as energy connectivity. Growth and prosperity in the BIMSTEC region require tangible progress in trade integration, particularly early progress in the reduction of non-tariff barriers; streamlining regulatory frameworks and harmonization of standards. Trade and transit facilitations must be given top priority along with energy and ICT connectivity. BIMSTEC Member States have initiated appropriate measures in all these areas. [END]