

Keynote address by the Secretary General of BIMSTEC

BIMSTEC at 20: Priorities and Prospects

1000hrs, 24 September 2018 at UNDP Auditorium, 29 Heng Mui Keng
Terrace, #08-01 (Block- A), Singapore 119620

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Scholars from BIMSTEC Member States;

Excellencies, Ladies and gentleman: Good morning.

01. I am truly honoured to speak at the Workshop on BIMSTEC at 20: Priorities, jointly organized by the Institute of South Asian Studies of the National University of Singapore, Consortium of South Asian Think Tanks and Konrad Adenauer Stiftung. This workshop devoted to BIMSTEC is an indication of the growing global interest in the activities of BIMSETC, an organization that brings together seven member States from South and Southeast Asia, namely Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. The event has assumed additional importance as it is taking place soon after the holding of the Fourth BIMSTEC Summit in Kathmandu, Nepal on 30-31 August 2018.

BIMSTEC's evolution during the past 20 years

03. Ladies and gentlemen: We are meeting at a time when BIMSTEC has gained considerable maturity as a regional organization. The Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation - or BIMSTEC - was established through the adoption of Bangkok Declaration in 1997. As stipulated in the Bangkok Declaration, the organization was created with the “desire to establish a firm foundation for common action to promote sub-regional cooperation in the areas of trade, investment, technological exchange and other inter-related areas in a spirit of equality and partnership and thereby contribute towards peace, progress and prosperity in their common region”. The forum was established at a time when various streaks of regional cooperation initiatives, most notably through ASEAN and SAARC, were already active in this region. It made sense, therefore, that one of the founding principles of BIMSTEC was to “constitute an additionality to and not be a substitute for bilateral, regional or multilateral cooperation involving the Member States.”

04. During the last 20 years, the membership of BIMSTEC increased from four to seven countries surrounding the Bay of Bengal. During the last 20 years, the organization identified 14 (Fourteen)¹ areas of cooperation and broadened the scope of cooperation from purely technical and economic fields to include such areas as counter terrorism and transnational crime. During the same time, the grouping, which was primarily meant to pursue development-project based cooperation,

¹Trade and investment, transport & communications, technology, energy, tourism, fisheries, agriculture, disaster management, culture, people-to-people contact, counter terrorism & transnational crime, poverty alleviation, public health, climate change.

transformed into a regional organization in its own right and began to lay down legal framework for cooperation and build institutions. In 2014, BIMSTEC established its permanent secretariat in Dhaka, Bangladesh, which has significantly improved the organization's capacity to follow up on BIMSTEC leaders' directives and record keeping. Four specialised centres namely, BIMSTEC Centre for Weather and Climate (BCWC) in India; BIMSTEC Cultural Industries Observatory (BCIO) in Bhutan; BIMSTEC Energy Centre in India; and BIMSTEC Technology Transfer Facility(TTF) in Sri Lanka are at various stages of operationalization.

05. A notable achievement of BIMSTEC in its norm-setting role was the signing of the Framework Agreement on BIMSTEC Free Trade Area in 2004. Another important legal instrument namely BIMSTEC Convention on International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking signed in 2009 has received ratification of the great majority of the Member States. The BIMSTEC process received fresh impetus at the BIMSTEC Leaders' Retreat held in Goa, India on 16 October 2016, when the Leaders reiterated their strong political commitment to make the organization stronger, more effective and result-oriented. Since then, Member States are moving faster to conclude new agreements to enhance trade and connectivity, including Agreement on Cooperation and Mutual Assistance in Customs Matters, BIMSTEC Motor Vehicle Agreement and BIMSTEC Coastal Shipping Agreement. The draft text of the Trade Facilitation Agreement is also currently under consideration of the Member States. Most Member States have expressed their readiness to sign BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters. During the Fourth BIMSTEC Summit held last month in Nepal, Member

States have signed an MOU to establish BIMSTEC Grid Interconnection to facilitate electricity trade in the region.

06. Another important role being played by BIMSTEC is that the organization has developed into a useful platform to facilitate regular exchanges among the Governments of Member States, thereby narrowing down differences and creating common grounds for cooperation. During the last 20 years, our Heads of States and Governments met four times, our foreign ministers met 16 times, our Foreign Secretaries met 19 times, and our national security chiefs met twice. This indicates that BIMSTEC core meetings have attained a high degree of regularity. The Fourth BIMSTEC Summit has further emphasized holding regular meetings at various levels of BIMSTEC mechanism and decided to hold meetings of BIMSTEC Home Ministers to strengthen cooperation to combat terrorism and organized crime.

Brining focus in BIMSTEC activities

07. Currently, the organization has fourteen sectors of cooperation that includes trade and investment, transport & communications, technology, energy, tourism, fisheries, agriculture, disaster management, culture, people-to-people contact, counter terrorism & transnational crime, poverty alleviation, public health, climate change. Many scholars have suggested that one of the reasons for which BIMSTEC could not achieve its full potential is that the organization has chosen to deal with too many issues with limited resources. The Fourth BIMSTEC Summit agreed to review and rationalize the existing sectors of cooperation to make the organization

result oriented. While it will still take time to settle the issue, promotion of trade and investment and enhancing connectivity remain at the heart of BIMSTEC activities towards building a peaceful, prosperous and sustainable Bay of Bengal region.

08. The Leaders at the Fourth BIMSTEC Summit reiterated the importance of trade and investment as one of the major contributing factors for fostering economic and social development in the region. The Leaders renewed their commitment to an early conclusion of BIMSTEC Free Trade Area (FTA) negotiations, and directed the BIMSTEC Trade and Economic Ministerial Meeting (TEMM) and its subsidiary bodies including the Trade Negotiating Committee (TNC) to expedite finalization of all related Agreements of the BIMSTEC FTA as early as possible. The Leaders also agreed to revitalize the activities of BIMSTEC Business Forum and BIMSTEC Economic Forum to further strengthen Government-Private sector cooperation for the promotion of trade and investment. The Leaders directed the Expert Group on BIMSTEC Visa Matters to continue negotiation for finalization of the modalities for the BIMSTEC Visa Facilitation including BIMSTEC business visa scheme. This is an acknowledgement by the Leaders that easier movement of businessmen and investors is vital for promoting trade and investment in the region.

09. The BIMSTEC Trade Negotiating Committee created in 2004, has since held 20 rounds of negotiations, the last one held in Khon Kaen, Thailand on 07-09 September 2015. Fresh initiatives are being taken by Member States to resume FTA negotiations. I am optimistic that we will be able to sign the Agreement on Trade in Goods and Customs Cooperation

Agreement within 2019. Side by side, other trade facilitation agreements are also being negotiated to remove non-tariff barriers to intra-regional trade.

10. There is a general consensus among the Member States that a well-established transport network is a prerequisite for reaping the benefits of a free trade area, including the promotion of trade and investment, as well as progress in other areas of cooperation such as tourism, people-to-people contact and cultural exchange. Most Member States have taken initiatives towards implementation of projects identified by the ADB-assisted BIMSTEC Transport Infrastructure and Logistics Study (BTILS) of 2014 in order to address the missing links to establish greater physical and economic connectivity between South and South East Asia. BIMSTEC is currently developing the BIMSTEC 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 have already made significant progress and we intend to finalise the Master Plan in this calendar year. The scope of the Master Plan includes both hard and soft infrastructure, including physical roads, railways, ports, inland waterways, and airports, and soft infrastructure. It also includes capacity building, transport access agreements, and the harmonization of rules, regulations, policies, and measures related to transport between and among BIMSTEC countries with a view to facilitating the cross-border movement of BIMSTEC trade in support of the BIMSTEC Free Trade Area.

11. The Leaders during the Fourth BIMSTEC Summit reiterated their resolve to establish seamless multi-modal transportation linkages and smooth, synchronized and simplified transit facilities through the development, expansion and modernization of highways, railways, waterways, sea routes and airways in the region. The Prime Minister of India, Hon'ble Narendra Modi during his speech in the Fourth BIMSTEC Summit aptly stated, and I quote "I believe that the biggest opportunity is connectivity- trade connectivity, economic connectivity, transport connectivity, digital connectivity, people-to-people connective." Unquote. The Summit directed respective authorities to speed up their efforts to conclude the BIMSTEC Coastal Shipping Agreement and the BIMSTEC Motor Vehicle Agreement as early as possible taking into account the special circumstances and needs of the Member States. The Leaders agreed that the BIMSTEC Transport Connectivity Master Plan would serve as a strategic document that would guide actions and promote synergy among various connectivity frameworks. It is hoped that time-bound implementation of projects identified in the Master Plan with institutional framework provided by the BIMSTEC Coastal Shipping Agreement and BIMSTEC Motor vehicle Agreement will spearhead the regional integration that BIMSTEC envisages.

12. The other areas of cooperation that will continue to receive attention include science and technology, energy cooperation, environment and disaster management, counter terrorism and transnational crime, and people-to-people contact. The Fourth BIMSTEC Summit reiterated BIMSTEC's commitment to the eradication poverty in the Bay of Bengal Region by 2030 in line with the 2030 Agenda for Sustainable Development

and call for gearing up efforts of all sectors to contribute to the over-arching goal of poverty alleviation.

Future prospects of BIMSTEC

13. Until recently, BIMSTEC process was marked by a high degree of informality where past practices and norms were relied upon in conducting business, and meetings were generally held according to convenience rather than exigencies of issues. The Fourth BIMSETC Summit has taken a number of decisions to bring clarity and predictability in the BIMSTEC process. The Leaders agreed to adopt a BIMSTEC Charter which will be built on the 1997 Bangkok Declaration and will define a long-term vision and priorities for cooperation, clearly delineating roles and responsibilities of different layers of institutional structure and decision-making processes. The BIMSTEC Charter will be adopted in the Fifth Summit to be held in Sri Lanka, the present chair of BIMSTEC. The Leaders also agreed to have Rules of Procedure (RoP) for the BIMSTEC Mechanisms. Another important institutional mechanism considered by the Leaders is to establish a BIMSTEC Development Fund (BDF). The Leaders directed their relevant Ministries/national agencies to explore the possibility of establishing a BIMSTEC Development Fund (BDF), which will be utilized for research and planning of BIMSTEC and financing of projects, programmes and other activities of BIMSTEC Centers and Entities.

14. The Leaders also decided to enhance the institutional capacity of the BIMSTEC Secretariat, including through financial and human resources, in order to enable it to coordinate, monitor and facilitate implementation of

BIMSTEC activities. As a first step, the number of Directors at the Secretariat will be raised to seven from the existing three, to be filled by one Director from each Member State. They also emphasized the need to accelerate progress in the core areas of cooperation and to review, restructure and rationalize the existing areas of BIMSTEC cooperation and streamline the operational modalities for activities, implementation of programmes and projects under BIMSTEC for bringing out tangible results.

15. The norm-setting role will continue to dominate the activities of BIMSTEC for some time. While cooperation in combating terrorism and transnational crimes including drug trafficking and human trafficking will need utmost attention of the Member States, it will also be important to ensure seamless movement of goods, services, capital and human persons including businessmen, investors, scholars and tourists across the region. The conclusion of BIMSTEC FTA and ratification of counter terrorism and transnational crime related Conventions will therefore be a priority in the coming days. While it is only natural that BIMSTEC will increasingly consolidate its identity as a community of Bay of Bengal nations, it will also continue to leverage on its unique position of bridging South and South East Asia and remain open to enter into meaningful collaboration with entities having similar aims and objectives. As per mandate given by the Fourth BIMSTEC Summit, the Secretariat is exploring possibilities of establishing collaboration with ADB and UN-ESCAP to advance project-based development cooperation.

16. Growth and prosperity 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. We need to work together closely to promote sustainable transport networks, sustainable energy and power grid interconnections, and information highways.

17. Ladies and gentlemen: BIMSTEC has come of age and is poised to play a greater and more visible role in promoting peace, prosperity and sustainable development in the Bay of Bengal region. With renewed political commitment of Member States and necessary institutional structure in place, the time for BIMSTEC has come. Thank you.