



## BIMSTEC Charter

Source: TH

**For Prelims:** [Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, Indo-Pacific Region, Indian Ocean, South Asian Association for Regional Cooperation.](#)

**For Mains:** Significance of BIMSTEC for Regional Cooperation.

### Why in News?

Recently, [Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation \(BIMSTEC\)](#) has recently achieved an important milestone with the charter of the grouping coming into force on 20<sup>th</sup> May 2024.

### What is the BIMSTEC Grouping?

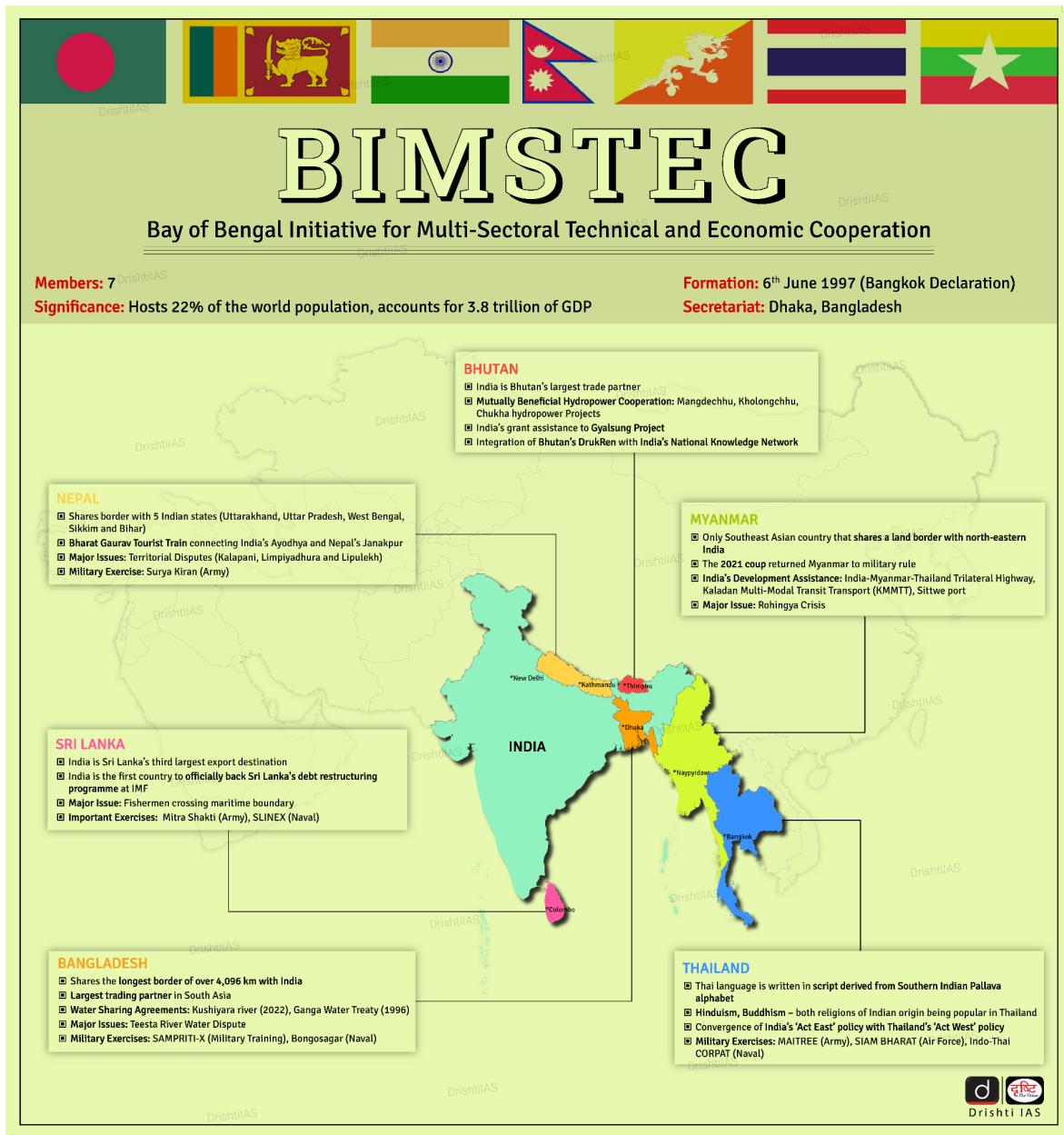
#### ▪ About:

- BIMSTEC is a **regional organisation** comprising **7 member states - Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand.**
- It was formed in **1997** with the aim of promoting multifaceted technical and economic cooperation among the countries of the **Bay of Bengal** region.
- The region covered by BIMSTEC is home to around **1.5 billion people**, with a combined GDP of over **USD 3.8 trillion**.

#### ▪ Origin:

- The sub-**regional organisation** was established in **1997** with the adoption of the **Bangkok Declaration**.
- Initially consisting of 4 Member States, it was known as '**BIST-EC**' (**Bangladesh, India, Sri-Lanka and Thailand Economic Cooperation**).
- In **1997**, it was renamed '**BIMST-EC**' after Myanmar joined.
- The admission of **Nepal and Bhutan** in **2004** led to another name change to the 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation' (BIMSTEC).

IL



## What are the Key Features of the BIMSTEC Charter?

- International Recognition:** BIMSTEC gains official standing as a legal entity, allowing it to interact directly with other international organisations on matters of diplomacy and cooperation.
- Shared Goals:** The Charter outlines BIMSTEC's objectives, which focus on building trust and friendly relations among member states, and accelerating economic development and social progress in the Bay of Bengal region.
- Structured Organisation:** A clear framework is established for BIMSTEC's operation, outlining regular meetings at the Summit, Ministerial, and Senior Officials' levels.
- Expanding Membership:** The Charter paves the way for future growth by allowing new countries to join BIMSTEC and for other nations to participate as observers.
- Re-constitution and reduction in the number of sectors of cooperation to 7 and each member-state will serve as a lead for a sector.**
  - Bangladesh in Trade, investment and development; Bhutan in environment and climate change; India in security, including energy; Myanmar in agriculture and food security; Nepal in people-to-people contacts; Sri Lanka in science, technology and innovation and Thailand in connectivity.

## What is the Significance of BIMSTEC?

- **Aligned with Act East Policy:** BIMSTEC is more aligned with India's [Act East Policy](#). It helps India gain trade and security prominence in the **Indian Ocean region and the Indo-Pacific**.
- **Alternative to SAARC:** Following India's efforts to isolate Pakistan at the 2016 South Asian [Association for Regional Cooperation \(SAARC\)](#) summit in response to the **Uri attacks**, BIMSTEC has emerged as a preferable regional cooperation platform, offering an alternative to SAARC in South Asia.
- **As a counter to China:** As China expands its [Belt and Road Initiative \(BRI\)](#) across South and Southeast Asia, India views this growing presence as a challenge to its regional dominance.
  - To counter this, India is taking a leading role in BIMSTEC, promoting it as an alternative platform for regional cooperation.
- **Promotion of Intangible Culture:** Initiatives like India's **Centre for Bay of Bengal Studies (CBS)** at Nalanda University, Bihar for research on art, culture and other subjects related to the Bay of Bengal can bring new insight and research in intangible heritage of the region.
- **Platform for Regional Cooperation:** It brings together countries from South Asia and Southeast Asia, providing a platform for **enhanced regional cooperation**.
- It has promoted deepening cooperation in security matters and management of **Humanitarian Assistance and Disaster Relief (HADR)**.

## How is BIMSTEC Different from SAARC?

Criteria	BIMSTEC	SAARC
Established	Originated by Bangkok Declaration in 1997	Originated by Adoption of Charter by Members in 1985 in Dhaka
Member Countries	Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, Thailand	Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka
Geographical Focus	Interregional (South Asia and South East Asia)	Regional (South Asia)
Intra-Regional Trade	Increased around 6% in a decade	Around 5% since inception
Key Strengths	Connects SAARC countries with ASEAN, reasonably friendly relations among members, practical cooperation in 14 sectors	Long-standing regional forum, numerous agreements signed
Secretariat Location	Dhaka, Bangladesh	Kathmandu, Nepal
Leadership	Balancing of power with the presence of Thailand and India on the bloc	India perceived as 'Big Brother' by smaller members

## What are the Challenges to BIMSTEC?

- **Lack of Efficiency and Slow Progress:** BIMSTEC faces challenges due to inconsistent policy-making, infrequent operational meetings, and a lack of adequate financial and human resources for its Secretariat.
- **Limited Intra-Regional Trade and Connectivity:** The **BBIN connectivity project** of Bangladesh, Bhutan, India and Nepal is yet to be finalised.
  - Despite signing **Free Trade Agreement (FTA)** in 2004, BIMSTEC stands far away from this goal. Of the seven constituent agreements needed for the FTA, only two are in place as of now.
  - Despite BIMSTEC's goal of economic cooperation, **regional trade remains low**. In 2020, India's trade with BIMSTEC countries only accounted for **4%** of its total foreign trade. **India-**

**Myanmar border called as "Asia's least open."**

◦ BIMSTEC members trade more with non-members than with each other.

- **Challenges in Maritime Trade and Fisheries:** The **Bay of Bengal is a rich fishing ground**, boasting an annual fish catch of 6 million tonnes (7% of the world's total) and extensive coral reefs.
  - According to the [FAO](#), the **Bay of Bengal is one of Illegal, Unreported and Unregulated (IUU) fishing hotspots in the Asia-Pacific**.
- **Other Issues Among Member States:**
  - [Rohingya refugee](#) crisis between Bangladesh and Myanmar.
  - [India-Nepal border issues](#).
  - Myanmar's domestic political instability after the military coup.

## Way Forward

- **Finalising the BIMSTEC Charter:** This provides a much-needed legal framework, defining BIMSTEC's purpose, structure, and functioning. It fosters stability and predictability in cooperation efforts.
- **BIMSTEC Master Plan for Transport Connectivity:** its finalisation will outlines a 10-year strategy to improve regional infrastructure (roads, railways, ports, etc.).
  - Enhanced connectivity will boost trade, create jobs, and facilitate the movement of people and goods.
- **BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters:** This agreement fosters cooperation in tackling transnational crime, a major threat to regional security. By facilitating information sharing and evidence gathering, it strengthens law enforcement capabilities.
  - Need to implement projects like **Bay of Bengal Large Marine Ecosystem (BOBLME)** project of [FAO](#) and [GEF](#) to curtail **IUU fishing**.
- **BIMSTEC Technology Transfer Facility (TTF):** To bridge the technological gap among member states. The TTF, based in Sri Lanka, will facilitate the sharing of knowledge and expertise in key areas, promoting regional development.
- **Cooperation between Diplomatic Academies/Training Institutions:** This collaboration will enhance diplomatic ties and foster a shared understanding of regional challenges and opportunities among future leaders.
  - It promotes regional cohesion and a sense of community.
- **Develop Institutional Framework:** India should consider **creating organizational setups to promote peace and prosperity** in the region. It is also necessary to **establish successful institutions for BIMSTEC**, similar to the **South Asian University (SAU)** under SAARC.
- **Promote Citizen Engagement:** Initiatives like a **BIMSTEC Parliamentarians Forum**, student exchange programs, and a business visa scheme can foster closer ties and a sense of regional community.

## Conclusion

The entry into force of the BIMSTEC Charter marks a significant milestone for the grouping, providing it with a legal personality and the ability to engage in structured diplomatic dialogue. This development is crucial for the economic and geopolitical integration of the Bay of Bengal region, and aligns with India's efforts to strengthen its neighborhood and Act East policy.

### Drishti Mains Question:

Q.1 Critically analyse potential of BIMSTEC in replacing SAARC as the primary platform for regional cooperation in South Asia?

Q.2 How effective is BIMSTEC in achieving its objectives of economic and technical cooperation among member countries?

## UPSC Civil Services Examination Previous Year Question (PYQ)

**Q. Do you think that BIMSTEC is a parallel organisation like the SAARC? What are the similarities and dissimilarities between the two? How are Indian foreign policy objectives realized by forming this new organisation? (2022)**

PDF Reference URL: <https://www.drishtiias.com/printpdf/bimstec-charter-1>

