

# **BIMSTEC: LEVERAGING INDIA'S POTENTIAL IN THE TWENTY-FIRST CENTURY**



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**BIMSTEC: LEVERAGING INDIA'S  
POTENTIAL IN THE TWENTY FIRST  
CENTURY**

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# MANIPAL

ACADEMY of HIGHER EDUCATION

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## DECLARATION

I declare that the dissertation entitled “**BIMSTEC: Leveraging India’s Potential in the Twenty First Century**” submitted by me for the award of the degree of Master of Arts in Geopolitics and International Relations of Manipal Academy of Higher Education is my own work. The dissertation has not been submitted for any other degree of this University or any other University.

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## CERTIFICATE

I recommend that this dissertation be placed before the examiners for evaluation.

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## ABBREVIATIONS

ADB	Asian Development Bank
ACMECS	Ayeyawady – Chao Phraya - Mekong Economic Cooperation Strategy
ANC	Andaman and Nicobar Command
ARC	Association for Regional Co-operation
ASEAN	Association of Southeast Asian Nations
BIST- EC	Bangladesh India-Sri Lanka-Thailand Economic Cooperation
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BRICS	Brazil, Russia, India, China and South Africa
BRI	Belt and Road Initiative
BBIN	Bangladesh-Bhutan-India-Nepal
CSIDRD	Centre for Studies in International Relations and Development
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
ICC	Indian Chamber of Commerce
IDSA	Institute for Defence Studies and Analyses
IR	International Relations
IORA	Indian Ocean Rim-Association for Regional Co-operation
JICA	Japan International Co-operation Agency
MGC	Mekong-Ganga Co-operation
MNC	Multi-National Corporation
MPAC	Master Plan on Connectivity
MVA	Motor Vehicle Agreement
PM	Prime Minister
SAARC	South Asian Association for Regional Co-operation
SAGAR	Security and Growth for All in the Region
SCO	Shanghai Cooperation Organization
TNC	Trade Negotiating Committee
UK	United Kingdom of Great Britain and Northern Ireland
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia
UNRA	United Nations Refugee Agency
USA	United States of America
USSR	Union of Soviet Socialist Republics
WTO	World Trade Organization
WWII	World War II

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## ABSTRACT

Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation (BIMSTEC) is a regional organisation of South Asian and Southeast Asian states consisting of India, Sri Lanka, Nepal, Bhutan, Bangladesh, Myanmar, and Thailand respectively. This grouping imagined from the littoral states of Bay of Bengal has recently been gaining momentum amongst the regional strategic and economic community due to the perceived potential being reflected in the states as well as the regions (South Asia and Southeast Asia) it offers to bring together.

For India, an organisation like BIMSTEC holds importance due to multiple reasons. The most immediate reason is the failure of SAARC as a regional organisation. However, the rest of the reasons are wide-ranging and far-reaching. They include - Indian foreign policy objectives of 'Act East' and 'Neighbourhood First,' developing and harnessing the potential of its Northeastern states, stemming China's influence in their shared extended neighbourhood, boosting trade and connectivity and creating a security infrastructure with rapidly growing South Asian and Southeast Asian states through multilateral institutions and finally generate a sphere of influence in the region for India even more than already present. Furthermore, the region of Bay of Bengal is rich in natural resources such as ores, timber, and fisheries. A large number of global maritime trade routes pass through either Bay of Bengal itself or its vicinity making it a very dynamic region with almost untapped potential. This includes the natural resources of Myanmar and Bhutan, a young and cheap workforce of most of the member states, especially India and Bangladesh, maritime resources of the coastal member states, etc. Along with this, Bay of Bengal also has in its proximity some of the most important geopolitical and geo-economic regions such as West Asia and Indo-Pacific, a benefit that can be exploited with just reliable connectivity and infrastructure.

However, regional multilateral institutions have their fair share of challenges. For BIMSTEC these mean an asymmetry between India and the other smaller states due to their size and potential difference. BIMSTEC is also said to be suffering from a resource crunch including human, financial, and technological resources. This makes it difficult to pursue projects which are relatively ambitious for the size of BIMSTEC and its capabilities, especially at this stage. Furthermore, the attractiveness of other options to BIMSTEC demands that the organisation remain competitive and yet beneficial to all states to take part in it. The disagreements between the member states due to various issues such as the proposed FTA have continued for quite a

while, making the window of opportunity run out faster, leaving out much to be lost for the states.

The Bay of Bengal as a region is seen as increasing in importance with a lot of important debates emerging and revolving around the region. This prominence and the challenges mentioned above, especially for India to understand how to leverage and exploit its potential in the Bay of Bengal as a region and BIMSTEC as an organisation necessitate a study on BIMSTEC.