

Services in BIMSTEC: Untapped Possibilities

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The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) recently completed 20 years of its establishment. This grouping is home to 1.5 billion people, with a combined GDP of over US\$ 2.5 trillion and has huge potential for regional cooperation. Services are an integral part of BIMSTEC's integration prospects. Of the 14 identified areas of cooperation under BIMSTEC, several have a bearing on services, including trade and investment, technology, transport and communication, energy, health, culture and people-to-people contact.

The scope for integration is well highlighted by four very different services; tourism, health, transport and energy.

Given the civilizational, cultural and historical linkages among the BIMTEC members, there is much scope to develop intraregional tourism. This can be achieved through the establishment of specialized tourist circuits such as the Buddhist Circuit or the Temple Tourist circuit or the eco-tourism circuit and the development of



BIMSTEC-specific tourism products. To promote these circuits, there is agreement among the member countries to create a network of tour operators and to formulate a common market strategy including organizing an Annual Convention on BIMSTEC tourism. Alongside, countries could consider creating a BIMSTEC brand for tourism, exploring possibilities for Public-

Private-Partnership and sharing and exchanging best practices and safety protocols.

In the area of health, there are opportunities for trade, investment and cooperation and complementarities that exist among member countries. Two of the BIMSTEC members, India and Thailand, are recognized medical tourism exporters, while some others suffer from inadequate and poor quality of medical care facilities causing their patients to import medical services from other countries, including some within the BIMSTEC grouping. There are reputed hospital chains among the BIMSTEC members, which could potentially invest in other member states through joint ventures and franchises, and, thus, help expand and improve the quality of medical care facilities in the region. There is scope to cooperate in the area of traditional medicine among BIMSTEC members and to engage in joint research and educational activities through networks of medical education, research and healthcare establishments. There is also a lot of scope in telemedicine given the need to provide medical care to remote areas in the BIMSTEC countries. Initiatives such as the BIMSTEC Telemedicine Network launched by JIPMER, which brings together 10 top hospitals and medical institutes in this region, can play an important role in connecting far-flung areas by providing telemedicine services.

Enhanced physical connectivity through the development of cross-border transport services and associated frameworks of agreement on transit, trans-shipment, movement of vehicular traffic and coastal shipping to facilitate trade and people connectivity, is perhaps the foundational element of BIMSTEC's integration agenda. India's "Look East" and "Act East" policy, Thailand's "Look West" policy, the common interest in bridging the nations of South Asia with those of South East Asia and the needs of the landlocked countries are best served by efforts to enhance transport connectivity among BIMSTEC members. The ongoing Kaladan Multimodal Transit Transport Project, the India-Myanmar-Thailand Trilateral Highway, the BBIN (involving three BIMSTEC members),

and the BIMSTEC Motor Vehicles Agreement would not only augment connectivity but also promote economic, social and cultural ties among the member states. A free trade agreement can only bear fruit if land and maritime connectivity is in place.

Energy sector cooperation is likewise of critical importance for BIMSTEC's success. It can enable optimization of the region's energy resources for



mutual benefit among member states. It would make possible increased energy efficiency and security through the development of regional electricity networks, new hydro power projects, interconnection of electricity and natural gas grids, undertaking of renewable energy projects and exchange of information and experiences on energy efficiency programs. There is a plan to establish a BIMSTEC Grid Interconnection program to expand energy trade among the members. A BIMSTEC Energy Centre is already in place to facilitate cooperation, build capacity and enhance trade in energy services. The scope for intraregional investment in the energy sector is also enormous.

There are many other services such as IT, audiovisual, and professional services where opportunities exist for collaboration, cross-learning, trade, investment and people-to-people exchange. The question to ask then is why progress has been so sluggish, despite there being so much potential for cooperation and commercial relations in BIMSTEC's service sector and more

importantly, a shared understanding of the same? Why do the possibilities remain untapped even though there are no major bilateral tensions among the BIMSTEC members unlike the case of SAARC?

The reasons are many. Factors such as the lack of committed leadership by some of the bigger member states, the fact that some members have prioritized ASEAN over BIMSTEC, the problems of political instability

in some member states, the "noodle bowl" effect of other overlapping sub-regional groupings which have diverted attention from BIMSTEC and the absence of an institutional set up such as a permanent secretariat to ensure investment in priority areas have all contributed to the slow progress.

Going forward what is needed is more proactive membership on the part of some of the key member states of BIMSTEC and the development of sub-regional parallel tracks and sector-specific partnerships on issues of common interest, such as power, transport, ICT, investment, and people-to-people connectivity. Platforms and

institutional mechanisms must be created, where they do not exist or strengthened where they do, and efforts must be made to bring together different stakeholders to discuss and address the challenges. Intraregional liberalization of services would also need to be preceded by autonomous reforms and liberalization measures on the part of individual member states. For instance, energy trade in the region would require countries to liberalize their electricity sectors and to reform their electricity boards to enable cross-border power purchase arrangements and regional grid connectivity. And finally, the BIMSTEC members must recognize that progress on integrating services in BIMSTEC is essential for furthering their own national interests and is also aligned with their longer term geo-strategic priorities.

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