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Sri Lanka and BIMSTEC: Past, Present and Prospects for the Future

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Article

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Abstract

The paper analyses Sri Lanka’s role in the BIMSTEC in the context of the evolving dynamics among the member countries, the securitised nature of the Bay of Bengal and the climatic conditions that are increasingly affecting the region. It focuses on four main areas via which Sri Lanka can strive to make its two-year chairmanship a success, i.e., increased economic engagement, security cooperation, improved connectivity and environmental security. It flags a few measures Sri Lanka as the current chairman can implement and initiate.

This article focuses on Sri Lanka’s relationship and prospects within the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) keeping in view three factors: (1) Sri Lanka’s position as a founding member of the regional organisation; (2) its present role as chairman of BIMSTEC; and (3) its increased role in Indian Ocean politics. This article is divided into three sections in order to deliberate on the contribution and the relationship between Sri Lanka and the BIMSTEC, as first, the past, which focuses on the twenty-year period from 1997 when the Bay of Bengal Initiative commenced; secondly, the present, which discusses the contemporary relevance and importance of the initiative as well as Sri Lanka’s role in it; and lastly, the future, which deliberates the way forward for the organisation, and the challenges Sri Lanka would encounter during its future interactions with BIMSTEC.

The Past: A Recap of Twenty Years

Established in June 1997 as the BIST-EC (Bangladesh, India, Sri Lanka and Thailand Economic Cooperation), the grouping thereafter expanded with the admission of Bhutan.

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and Nepal, thereby revising its name to BIMSTEC in February 2004. Geographically, the Bay of Bengal both separates and bridges the two regions of South Asia and South East Asia. BIMSTEC therefore can be seen as an important platform for intra-regional cooperation between South and Southeast Asia, and potentially between the South Asian Association for Regional Cooperation (SAARC) and the Association for South East Asian Nations (ASEAN).¹ The objective of this initiative, therefore was to take advantage of this dynamic region’s growth potential via enhanced and deeper mutual cooperation at a time when challenges were rising as a result of globalisation and also to better utilise the region’s resources and its geographical positioning.

The Bay of Bengal Initiative has identified 14 priority sectors covering all areas of cooperation and Sri Lanka provides leadership to two sectors, namely the technology sector and the Counter-terrorism and Transnational Crime sector. Accordingly, in 2008 BIMSTEC decided to establish a Technology Transfer Facility (TTF) in Sri Lanka. In addition BIMSTEC also has a Free Trade Area Framework Agreement (BFTAFA) and BIMSTEC Coastal Shipping Agreement via which, it initiates commendable work.

**Present: Contemporary Importance**

The chairmanship of BIMSTEC, which biennially rotates alphabetically, was assumed by Sri Lanka at the fifth Summit in September 2018. Sri Lanka, thereby, holds the chairmanship till September 2020.² In the modern era there are three schools of thought on multilateral/regional organisations, i.e. firstly, it is best to work with existing organisations; secondly, there is a requirement to replace the existing organisations with new or fresh structures; and lastly, proceed with what works, regardless of when the organisation was formed. In this context, this author is in agreement with the first position, that it is best to proceed with utilising existing structures and restructure them in order for them to be effective. This is mainly due to the difficulty in seeking consensus among various parties to work together, as well as the difficulty that arises in forming new associations, as interested parties are overwhelmed by the discussions and often overlook the reasons as to why the programmes commenced in the first place.

In the present decade, the Bay of Bengal has gained prominence for a few reasons: namely, the attention the Indian Ocean region is receiving; the geopolitical interests surrounding security and economic spheres; as well as the region’s cultural affinity to one another. The broader region within which the Bay of Bengal is situated, the Indian Ocean, has received great interest from the world’s major powers alongside the regional powers. This interest stems from the region’s growth projections as well as the ocean’s accessibility
for the movement of vast quantities of global trade. Geopolitically, the region is important as there are vast markets and resources within the region, surrounding which, there is a significant power play. The above mentioned factors also bring to the fore, the security and economic discourses. Hence, it is important that Sri Lanka gives proper leadership at this crucial juncture. It has an extremely responsible role to play, considering the changes taking place and the evolving global dynamics. As an island-state in the Indian Ocean region, it has an illustrious history and time-honoured bilateral relations with each of the member states of the Bay of Bengal Initiative. For this reason, Sri Lanka can take advantage of the opportunity afforded to it to provide leadership, initiate novel projects and implement projects that have already been agreed upon. Its historical relations with South Asian and Southeast Asian countries provide Sri Lanka with a vantage point from which it can take forward BIMSTEC.

Agarwala and Saha highlight that in the contemporary setting, there is a “need for improved trade, transportation, tourism, energy, and social and cultural exchange” among the BIMSTEC members. Asirwatham emphasises that the present chairmanship is a favourable circumstance for “Sri Lanka to increase intra-regional transfers of technology, address challenges to maritime security, and promote economic development in the region.” The Bay of Bengal area has great potential and needs to make rapid progress. Accordingly, this article focuses on four main areas through which Sri Lanka can strive to make its two-year chairmanship a success, i.e., via increased economic engagement, security cooperation, improved connectivity and economic security. These four areas are chosen due to their practicality and because plans can be immediately implemented.

**Economic Engagement**

The Bay of Bengal region is a central economic bloc, which is abundant in many resources. Collectively, this region accounts for roughly 21 percent of the planet’s population and had a collective Gross Domestic Product (GDP) of approximately USD 3.5 trillion in 2018. However, with a mere four percent of the total trade of the member-states, intra-regional trade has not been favourable. One of the crucial and a long-pending matter for BIMSTEC has been the inability to finalise its Free Trade Agreement (FTA), which is a necessity for the advancement of the region. Thus, it is imperative that Sri Lanka initiates rapid measures to conclude the BIMSTEC Free Trade Agreement which would add value to other existing bilateral and regional agreements between BIMSTEC member states covering trade in

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goods, services and investment. The benefits afforded to Sri Lanka from BIMSTEC FTA are two-folds: first, it would provide Sri Lanka with an FTA with six countries, which is favourable, given the country’s inadequate trade negotiation competence and resources. Second, it would enable an increase in trade, in favour of Sri Lanka within the South Asian neighbourhood, especially with India and Bangladesh. Therefore, the finalisation of the FTA would provide Sri Lanka benefits, which gives it more incentive to carry forth its finalisation. However, as the FTA has been drafted over the past 15 years, Sri Lanka needs to ensure the relevance and timeliness of the content of the FTA. Redrafting outdated content and ensuring equal benefits to the citizen of all member-states would enable the agreement to be finalised.

It is also important for Sri Lanka’s Chairmanship to encourage trade agreements with more diverse and successful economic blocs such as ASEAN and the European Union (EU). Measures such as this encourage and enable greater cooperation among the BIMSTEC member states and increases the value of the Bay of Bengal Initiative, as a whole. The Sri Lankan chairmanship could also consider taking the necessary initial steps to obtain the membership of the Regional Comprehensive Economic Partnership (RCEP) for the member states of BIMSTEC – except India, Myanmar and Thailand – who are not already included in the negotiations. A common negotiation on the matter, alongside support from the other countries, may enable Bangladesh, Bhutan, Nepal and Sri Lanka to obtain membership and enjoy the benefits of the RCEP.

A further scheme Sri Lanka’s chair can commence is to promote cooperation between the BIMSTEC with the private sector in all the member states. Promotional mechanisms would take place in all the member states and commence with sharing of knowledge on BIMSTEC’s role and avenues for cooperation. Exposing the Bay of Bengal Initiative among the private sector and providing them insight about the opportunities available to them will encourage businesses to utilise the opportunities it affords. This would be an additional benefit and once the FTA is signed it will facilitate greater regional trade. Having the support of the business sector is essential to ensure the success of a regional organisation. This can also entice Foreign Direct Investment (FDI) into the member-states. Whilst BIMSTEC member states have received considerable FDI inflows, there is potential for further development in this regard, especially in terms of equal distribution of the FDI inflows among the member-states. The location of the Bay of Bengal littoral states permits further investment into the region, owing to the attraction the Bay is receiving due its ability, for instance, to connect Southeast Asia, South Asia, and China, and the increased attention

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1 At the time of writing, India displayed its hesitance in signing the RCEP agreement due to various domestic compulsions. Therefore, there may be further negotiations on India’s part in agreeing to the RCEP.
the Indian Ocean as a whole is receiving due to various reasons such as the initiation of the Indo-Pacific strategy. Therefore, Sri Lanka ought to utilise the opportunities and create an environment favourable for BIMSTEC countries to economically prosper.

**Security Cooperation**

Sri Lanka can provide leadership towards increasing security cooperation in the region, inclusive of BIMSTEC as an organisation and alleviate distrust that are ripe. Scholars have discussed the strategic nature of the Bay of Bengal both as a dividing zone as well as a bridge between South and Southeast Asia. In addition, the increasing discourse on the Indian Ocean Region, has led the Bay to be viewed from a securitised lens. Further, this region is also witnessing India and China compete for energy and natural resources, trade routes and greater connectivity. The IOR region as a whole is also seeing power play of other parties such as Australia, France, Russia, and the United States. Whilst positive aspects are derived from the competitive nature among countries, this could curtail the impetus for increased connectivity. However, while competition breeds mistrust or insecurities among states, it also enables increased partnerships, especially in the areas of development. Additionally, healthy competition among various partners provide countries in the Bay of Bengal access to a plethora of options, better bargaining power and negotiation capabilities.

Academics and practitioners of maritime affairs have stressed the importance of Maritime Domain Awareness (MDA) and the positive attitude that is associated with open and transparent sharing of information. The Maritime Security Agreement signed trilaterally between India, Maldives and Sri Lanka in 2013 strengthened trilateral maritime relations towards this end. The agreement permitted these three neighbours to share information on white shipping, monitor the Exclusive Economic Zone (EEZ) and engage in Search & Rescue Operations (SAR) as well as anti-piracy efforts. This in-turn enabled maritime domain awareness. Accordingly, the area covered by BIMSTEC can under the present leadership create a platform to alleviate mistrust in the greater IOR by initiating MDA related activities in the Bay of Bengal. Sharing of information amongst BIMSTEC countries would enable this region to be a safe location devoid of various non-traditional security challenges. This would increase integration and security cooperation between the South Asian and Southeast Asian regions. Increased transparency in the waters of the Bay of Bengal would reduce the trust deficit in the region. This is in-line with Sri Lanka’s proposal towards “rationalization of the sectors in order to maximize utilization of resources”. Restraining over-utilisation of resources and improving the use of naval facilities and intelligence sources among BIMSTEC member-states, would permit among other things, members to address issues of insecurity. Consequently, MDA becomes a vital component in this regard.
Another major issue in the Bay of Bengal and the Indian Ocean region at large is the need to guarantee freedom of navigation. It is important for the BIMSTEC states to agree on a rules-based system. This understanding can then be developed to incorporate the users of the sea space at large, in the IOR. Furthermore, an accord of this nature would contribute to countering maritime security threats by non-state actors, as the countries agree on an established standard operating procedure (SOP). Policies such as these would enhance trust in the region as well as augment security cooperation in the region.

Over and above the water-based threats to security in the region, it is also important to ensure that land-based insecurities too are cumulatively addressed. 2019 saw terrorist activities and various insecurities, such as the East Sunday attacks in Sri Lanka, across the Bay of Bengal region, and the heightened insecurity is not conducive for reducing the trust deficit. As the chairman of BIMSTEC and the lead on Counter-terrorism and Transnational Crime sector, Sri Lanka has pledged to improve closer cooperation among member-states in countering terrorist activities that are increasingly non-traditional in nature. A majority of contemporary non-traditional threats to security are caused by non-state actors. Improved collaboration among intelligence networks would enable the member-states of BIMSTEC to thwart such threats. The Sri Lankan chairmanship has underscored the unconventional nature of contemporary threats, thereby requiring more sophisticated mechanisms to overcome challenges posed by individuals and non-state actors. Counter-terrorism and security cooperation should be a priority area during Sri Lanka's current tenure.

**Connectivity**

One of the principal reasons the littoral states of the Bay of Bengal region are not adequately integrated is due to the lack of connectivity. Connectivity for this purpose is two-pronged: that is the physical infrastructure connectivity and secondly, the technological connectivity. Hence, this section deliberates the measures the present chairmanship can initiate towards increasing connectivity within the BIMSTEC as well as the Bay of Bengal region.

As the lead country for technology transfer and the present chair of BIMSTEC, Sri Lanka needs to play an active role in ensuring technological connectivity. Whilst there have been calls for increased connectivity of the region via the internet and various social media platforms, there is also a greater need for technology to be used to improve living conditions in the region. This could be facilitated, for example, by connecting energy grids and sharing surplus energy with neighbouring states, such as the proposed Indian energy connectivity project that is already sharing energy with Bhutan and Nepal. At the time of writing, India had earmarked countries in the Bay of Bengal such as Myanmar, Sri Lanka and
Thailand, under its energy diplomacy programme as possible countries for integration. Further, innovative technology to generate electricity via ocean currents as well as wind power too are other areas of possible cooperation for BIMSTEC. Encouraging governments and the private sector to collaborate to develop the required infrastructure for solar power generation is another avenue that Sri Lanka can take up. Therefore, while generation of energy from new sources is important, it is equally important to utilise cost-effective methods to transfer energy to areas where needed. Thus, promoting technological know-how and dissemination are of paramount importance.

Sharing of and access to knowledge is another important avenue for connectivity between countries of the Bay of Bengal. At the First BIMSTEC Ministerial Meeting on Agriculture (1st BAMM) held in July 2019 in Myanmar, Sri Lanka called for sharing of knowledge and expertise, especially in the field of agriculture, in order to increase food security of the people and also to modernise the agricultural sector. Sharing knowledge and raising agricultural output in the region is an important aspect of connectivity, as it enables rise in incomes, more trade, greater consumption as well as the achievement of ‘Zero Hunger’ of the Sustainable Development Goals.

Energy security or the transfer of energy is another vital aspect that requires urgent consideration. The Bay of Bengal is fertile with natural gas reserves, enabling countries like Bangladesh, India and Myanmar to explore its potential. Exploration of gas and generation of energy is an important area of collaboration between the BIMSTEC countries. Therefore, utilising appropriate methods to harness the maximum productivity of these gas reserves would enable the transfer of energy among the Bay’s littoral states. Generation of hydropower is another area that has the power to be explored. This is possible as the region is rich with many natural waterways and can use appropriate technologies to develop its hydropower and water resources.

Over the past five years or so, the People’s Republic of China (PRC) has been displaying increased interest in the Indian Ocean Region and the Bay of Bengal. China’s regional initiatives for connectivity, for instance the 21st Century Maritime Silk Route (MSR) and the Belt & Road Initiative, indicate China is interested in engaging with the countries surrounding the Bay of Bengal. Despite China not being in direct proximity to the Bay, China’s recent oil pipeline via Myanmar provides it direct access to the northern-most corner of the Indian Ocean. Further, infrastructure development projects such as the proposed 2,800 km Bangladesh-China-India-Myanmar (BCIM) Corridor connecting Kunming with Kolkata via Mandalay and Dhaka, could also link China with the Bay of Bengal. These would increase...
China’s presence and relevance in the region. Therefore, Sri Lanka, which joined China’s ‘One Belt One Road’ (OBOR) initiative in 2013, could promote greater cooperation between China and the region.

China and India are both showcasing their interests and capabilities in the greater Indian Ocean region. They have both initiated many programmes to display their power and friendship with the countries of this region. Hence, the competition for regional power between China and India is increasing and has the potential to disrupt the region’s growth, unless it is addressed appropriately. This regional competition, once again provides Sri Lanka – as a country that has sound relations with both the above mentioned countries – the opportunity of manoeuvring BIMSTEC through these strategically challenging waters and ensuring the regional initiative is able to reap the maximum leverage afforded to it by both Chinese and Indian interests. Therefore, this is an area where Sri Lanka’s chairmanship during these two very important years will be tested.

In this globalised and increasingly interconnected world, connectivity cannot be limited to the Bay of Bengal and its member-states. Therefore, Sri Lanka could direct its efforts towards greater collaboration with other international and regional organisations such as the Asian Development Bank (ADB), the Indian Ocean Regional Association (IORA) and ASEAN. An outline of the partnership with the ADB was agreed upon during the 2nd meeting of the (BIMSTEC) Permanent Working Committee (BPWC) held in October 2019 in Colombo. Engagements of this nature prevent organisations from replicating solutions and prevent wastage of time and efforts. It also highlights the inter-connectedness of society and that organisations cannot work in silos. As societal requirements and threats are diverse and inter-connected, they require all-round solutions.

Environment Security

Threats to the environment are two-pronged, i.e. human and natural. Threats caused by humans are related to pollution, diseases, human development and expansion, etc., whereas natural threats are those related to climatic changes, disasters. Humankind’s development is causing a threat to the environment, especially due to the burden it imposes on the natural habitat. Expansion of human settlements are encroaching on the natural habitats of animals and causing the decline of various endemic species of flora.

The region faces many non-traditional issues related to fisheries, oceanic pollution such as oil-spills and dumping of plastics; piracy, human trafficking, illegal human migration, to name a few. This, in turn, has resulted in countries and organisations of various nature operating in the region, thereby causing an overlap in efforts undertaken. Thailand, one of
the BIMSTEC member states, is among the highest oceanic polluters in the world.\textsuperscript{17} It needs to be noted that majority of the people of the member states of BIMSTEC rely on fishing and aquaculture as their livelihood. Oceanic pollution affects the lives of fish and this in turn affects people, especially those who rely on fishing and aquaculture for their livelihood. The December 2019 report published by the International Union on the Conservation of Nature (IUCN) on Ocean Deoxygenation, indicates that a decline in oxygen levels in the ocean are negatively affecting marine species like tuna and shark.\textsuperscript{18} Depletion of oceanic resources affect the consumers of seafood, who consider it as a primary source of protein. Furthermore, according to a 2018 report of the Food and Agriculture Organisation of the United Nations, the largest population employed in fisheries and aquatics resources was from Asia.\textsuperscript{19} As such, creating awareness among the member states' public and even the governments about the importance of mitigating oceanic pollution and climatic changes is situated at the top of Sri Lanka's list of priorities as the chairman of BIMSTEC, wherein it intends to ensure the organisation delivers tangible benefits to the people of this region.\textsuperscript{20}

Another area in which BIMSTEC countries are focusing their attention, is on climate change. It was also recently recorded that the Indian Ocean is the warmest of the world’s oceans. Therefore, it is important that measures towards alleviating drastic climate changes are identified and corrective action taken. This is especially a cause for concern as the coastal regions are densely populated and the rising sea-levels are a threat to their existence.\textsuperscript{21} The littoral states of the Bay of Bengal, especially the South Asian countries are extremely vulnerable due to vast low-lying areas. Bangladesh is a case-in-point, as the rising sea-levels are causing its coastal areas to be inundated. Rising sea-levels is an area of relevance also to Sri Lanka whose coast is rapidly being threatened by various climatic conditions. According to Paul Bakker, there is a possibility of Sri Lanka’s coastlines receding by 16m to 31m, depending on the long-term effects of sea-level rising.\textsuperscript{22} Fernandopulle indicates that the western coast of the island is currently experiencing increased levels of coastal recession, harming houses and the island’s natural environment at large.\textsuperscript{23} Therefore, drawing attention to the impact of climatic changes on the people of the region, should be high on Sri Lanka’s agenda for BIMSTEC. Furthermore, as the Bay of Bengal Initiative involves a majority of coastal nations – including Sri Lanka – it is important the organisation expands its areas of interest to the maritime sphere. It needs to expand the present Maritime Shipping Agreements and Coastal Shipping Agreements between Bangladesh and India to the other member states.
The Way Forward

At the time of writing, the remainder of Sri Lanka’s chairmanship was approximately another ten months. Therefore, Sri Lanka is duty-bound to ensure that it facilitates and paves the way for originality in policies to overcome the existing challenges faced by the countries of the Bay of Bengal. As the remainder of the tenure is short, it is the responsibility of Sri Lanka to prepare an outline of the course of action to be taken under the next chairmanship of Thailand. Mechanisms such as the restructuring of initiative via the BIMSTEC charter, which will be tabled at the Fifth BIMSTEC Summit in Colombo in 2020, are important, as they take into consideration the evolving nature of global challenges and the ecosystem.

Keeping in view the region is faced with various challenges, as discussed in the previous section, it is important that this region balances global pulls and pressures in a harmonious manner. Sri Lanka also needs to take the lead in providing possible mechanisms to overcome the challenges facing the BRI in the region. The subtleties in strategic competition between India and China are preventing them and the region benefitting from the various initiatives that complement the objectives vested with the BIMSTEC. Thus, futuristically speaking Sri Lanka needs to provide reassurance to both parties that the region requires the support and initiatives of both the countries to see a surge in growth. This may well be in-line with Sri Lanka’s proposals to re-energise the organisation and deliver tangible results to its people.

Taking into consideration the proliferation of non-state actors and their ideology, it is imperative that Sri Lanka as the lead of the Counter-terrorism and Transnational Crime sector table creative strategies acceptable to the other member-states to counter the threats. Sri Lanka should utilise its experience in counter-terrorism in drafting proposals towards countering violent extremism (CVE) in conjunction with the member-states of BIMSTEC. It is equally important to acknowledge that threats are both land-based and maritime. The mechanisms should be forward-looking and not a means towards circumventing development agendas and regional prosperity.

Another initiative or lead for the future that Sri Lanka can take is in underscoring the importance of integrating with Southeast Asian countries. When compared to the South Asian economies, some of the Southeast Asian economies are faring much better and are better integrated with each other. The BIMSTEC can utilise this opportunity and seek avenues to increase trade and commercial ventures with these economies via Myanmar and Thailand. Leading the path in this regard would set the agenda for the next chairperson, i.e. Thailand, to continue expanding inter-regional collaboration and development.
As an established organisation, BIMSTEC has much to offer the region if its member states work towards reaping the benefits afforded by its membership. Hence, going forward with integration necessitates member states agreeing to a common agenda focused on the growth and prosperity of the region.

Conclusion

As a regional organisation that has a history of over twenty years, BIMSTEC does not have many significant achievements as yet. It is the responsibility of each of the member states to ensure it can produce concrete results to make the organization successful and achieve the objectives it has laid out for itself. Accordingly, this article focused on four main areas – i.e. via increased economic engagement, security cooperation, improved connectivity and economic security – via which Sri Lanka, as the present chair of BIMSTEC can strive to make the remainder of its two-year chairmanship a success.

The Bay of Bengal countries face a variety of complex issues. The scope of BIMSTEC is vast and its responsibilities immense. However, the most important duty entrusted upon the remainder of Sri Lanka’s chairmanship is to position BIMSTEC as an organisation that can provide regional leadership, improve economic links among its members, and last but not least, advance BIMSTEC’s international visibility.
Endnotes


11. Ibid.


16. Ibid.


