

# Towards BIMSTEC-Japan Comprehensive Economic Cooperation Bangladesh Perspective



edited by  
Abdur Rob Khan



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Comprehensive Economic Cooperation  
Bangladesh Perspective**



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Abdur Rob Khan



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## Foreword

CSIRD with support from the Sasakawa Peace Foundation (SPF), Japan has been carrying out a collaborative research study entitled **“Possibilities for a Comprehensive Economic Partnership between BIMSTEC Countries and Japan”**, since April 2005 with participation of some noted research organisations, scholars and policy makers from BIMSTEC countries. The study undertakes an analysis of Japan’s economic relations with BIMSTEC countries, and aims to come up with a perspective for comprehensive economic partnership between BIMSTEC and Japan.

On the whole, the first two years of the project was a great success in meeting the research objectives. Scholars, economists and experts from BIMSTEC and other countries and multilateral development organisations also participated in the deliberations of the project. Chambers of Commerce and investment promotion organisations of BIMSTEC countries also took part in the project. The research collaborators and participating institutions, government representatives, policy makers, civil society and politicians involved have shown tremendous enthusiasm, dedication, skill and discipline in understanding the research objectives and actions to be taken to attain the same. They are very responsive and receptive to suggestions, comments and feedbacks. Besides, supplementary steps taken by CSIRD also found to be very useful in terms of outreach of the research project in 2005 and 2006. All these have generated great enthusiasm for involving Japan as a member of BIMSTEC.

In view of the outcomes of the 1<sup>st</sup> international conference of the project in 2005 in Kolkata (through which we adopted *Kolkata Consensus*), it was recommended by all collaborators and to carry forward this project through country-level and sector-level

consultations. The present book, edited by Dr. Abdur Rob Khan, is the outcome of the 1<sup>st</sup> Dialogue and country-level consultations on Bangladesh, conducted in July 2006. This volume provided valuable information on the BIMSTEC-Japan Cooperation from the perspective of Bangladesh, and also an insight into the specific issues of development cooperation in BIMSTEC in general and Bangladesh and Japan in particular. The book has given a roadmap for BIMSTEC-Japan cooperation from the perspective of Bangladesh. I strongly feel that the analysis and recommendations made in this book have high policy implications for BIMSTEC regional cooperation.

BIMSTEC has emerged as one of the most dynamic and vibrant regions of the world, and entered into its tenth year of establishment in 2007. CSIRD has been conscious right from the beginning, that there is a need to purposefully fill the great academic void in news on BIMSTEC in the member countries. Our endeavour will be to provide a forum for BIMSTEC stakeholders, like policymakers, researchers, entrepreneurs, including interested citizens from member countries and Japan to frankly express their views. We plan to give emphasis to applied empirical research, as well as alternative policy options, for future development. This, we confidently feel will help unlock, the vast resources of the BIMSTEC region for mutual benefit of the local people and the investors.

I would like to place on record the valuable work done by CSIRD and BIIS in bringing out this highly informative policy oriented document on the BIMSTEC region. I hope that the findings given in this book would strengthen BIMSTEC – Japan cooperation.

August, 2007

Lt. Gen. Dr. B S Malik, PVSM, AVSM  
Former Chief of Staff, Western Command  
President, CSIRD  
New Delhi



## Preface

If the Cold War period regional process traversed neo-functional path of gradual integration from preferential trading arrangement to free trade area to customs union to economic union to eventually, political union, post-Cold War generation of regional bodies may be said to follow an ultra-functional path of jumping head on into free trade area. The second way in which post-Cold war generation regional bodies, regional trading arrangements (RTAs), to be precise, are different from their predecessors is that the latter were considered as raising walls against free trade while the new generation RTAs may be considered as consistent with free trade and contributing to the process of globalization. The Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC) encompassing five countries of South Asia – Bangladesh, Bhutan, India, Nepal and Sri Lanka, and two countries of South East Asia – Myanmar and Thailand, represents the post-Cold War generation of regional grouping. The grouping combines two sub-regions of South and South East Asia, more than one-fifth of global population and a total GDP of US\$ 750 billion.

It appears that BIMSTEC is following a minimalist and pragmatic approach of institutional development. A charter is yet to be developed and a Secretariat is yet to be established, yet a flurry of activities in terms of several rounds of trade negotiations committee meetings, scientific studies, joint working group meetings have been and are being held. Sustained progress of such project-based mode may help build a solid foundation of a well-functioning regional body. Progress made in negotiating different components of an FTA encompassing trade in goods and services and agreement on investment is example of this trend.

In the meantime, the emergence of BIMSTEC has spawned significant deliberations and advocacy works at the non-governmental and civil society levels as to how to make the regional

body effective and broad based. One such effort has been a collaborative research cum deliberation and advocacy project titled ***Towards BIMSTEC-Japan Comprehensive Economic Cooperation: Vision and Tasks Ahead*** undertaken by the Kolkata-based Centre for Study in International Relations and Development (CSIRD) with assistance from the Tokyo-based Sasakawa Peace Foundation (SPF) and in collaboration with research institutes and scholars in Bangladesh, India, Myanmar, Sri Lanka and Thailand.

The present volume deals with possibilities of expanding and deepening Bangladesh-Japan cooperation in trade and investment, transport connectivity, energy, technology, fisheries and tourism within the framework of BIMSTEC. In the process, issues of multilateral cooperation amongst the BIMSTEC countries have been deliberated. As the BIMSTEC member countries themselves as well as Japan are varied in size of population, economy and stages of development, dynamic complementarities to forge win-win cooperation stands a fair chance.

The present volume would not have come into reality without the tangible and substantive contribution of two sets of institutions and people. On the one hand, there has been the pioneering role of the CSIRD under the leadership of its President, Lt. Gen (Retd.) Dr. B.S. Malik, PVSM, AVSM. At another end, the six authors did an immensely competent job of drafting the papers and then revising them on the basis of the feedbacks of the country consultation held in BISS in August 2006. I am sincerely grateful to all these institutions and individual scholars. I am equally grateful to BISS for all the logistical support in organizing the country consultation.

August 2007

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