

BIMSTEC Cooperation in Agriculture

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Policy Brief

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Background

Agriculture in the BIMSTEC region plays a critical role in supporting the livelihoods of nearly 1.5 billion people across its member states—Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand. This sector is highly diverse, encompassing a wide variety of crops, livestock, and fisheries. However, it faces significant challenges, including low productivity, outdated practices, and vulnerabilities to climate change. To address these issues, member countries are increasingly emphasizing modernization and the adoption of sustainable agricultural practices. Reducing trade barriers within the region is essential to enhance food security and drive economic growth. Strengthened regional collaboration has the potential to transform the agricultural sector into a more sustainable, productive, and resilient system.

Agricultural Production in BIMSTEC

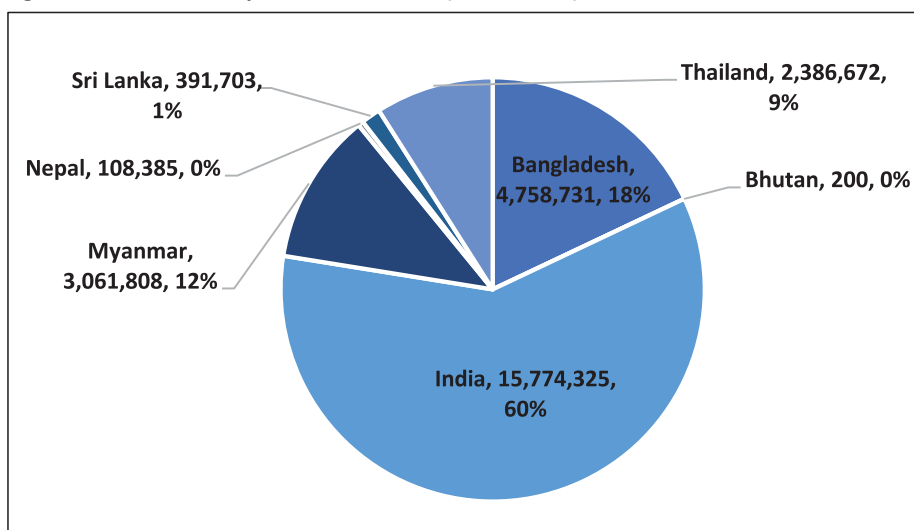
The BIMSTEC region boasts a rich diversity in agricultural and livestock production (Table 1). India is a major producer of rice, wheat, and dairy, alongside livestock such as cattle and poultry. Bangladesh specializes in rice, jute, and fisheries, with cattle and poultry being prominent livestock. Myanmar is recognized for its rice and pulses, as well as livestock including cattle, poultry, and pigs. Thailand stands out for its rice production, poultry farming, and shrimp aquaculture. Sri Lanka is renowned for tea, coconuts, and poultry. Nepal produces rice and maize, alongside livestock such as cattle and goats, while Bhutan focuses on organic farming, particularly rice, potatoes, yaks, and poultry.

Table 1: Major agriculture products

Country	Major agricultural products
Bangladesh	Jute, Rice, Hilsha, cattle, buffalo, goats, sheep, poultry, and dairy farming
Bhutan	Vegetables, dairy, cattle, yaks, poultry, and pigs, freshwater fish species
India	Rice, wheat, milk, fish, cattle, buffalo, sheep, goats, poultry, and dairy farming
Myanmar	Rice, cattle, buffalo, pigs, poultry, and fish farming
Nepal	Spice, freshwater fish species, cattle, buffalo, goats, sheep, poultry, and pig rearing
Sri Lanka	Tea, coconut products, fish, cattle, buffalo, goats, sheep, poultry, and dairy production
Thailand	Rice, seafood products, cattle, buffalo, pigs, poultry, and dairy farming

Source: BIMSTEC Website

Figure 1: Total fisheries production in 2022 (Metric Tons)



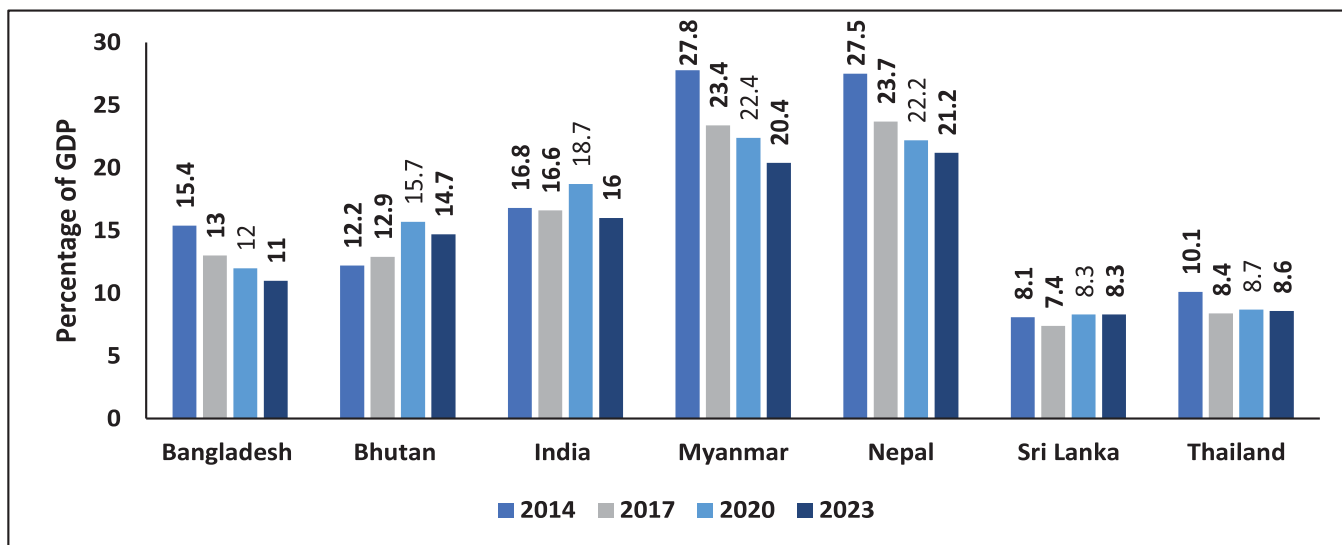
The region is also rich in fisheries resources, with India leading the sector. In 2022, India produced 15,774,325 metric tons of fish, accounting for 60% of the region's total fisheries output (Figure 1). Bangladesh and Myanmar follow, with production levels of 4,758,731 metric tons (18%) and 3,061,808 metric tons (12%), respectively. Thailand is renowned for its shrimp and fish exports, while Sri Lanka specializes in marine fisheries. Nepal and Bhutan, though smaller contributors, have growing fisheries sectors, primarily focused on inland fish farming.

Source: World Bank

Contribution of Agriculture to GDP

The share of agriculture, forestry, and fishing in GDP has generally declined across most BIMSTEC countries between 2014 and 2023 (Figure 2). In Bangladesh, this share fell from 15.4% in 2014 to 11% in 2023, with similar declines observed in Myanmar and Nepal. In contrast, India, Sri Lanka, and Thailand have maintained relatively stable contributions from agriculture. Notably, Bhutan is the only country in the region to experience an increase in agriculture's share of GDP over this period. This overall trend reflects a shift towards other sectors, such as industry and services, signalling economic diversification but also raising concerns about the future of agriculture in these economies.

Figure 2: Agriculture, forestry, and fishing, value added (% of GDP)

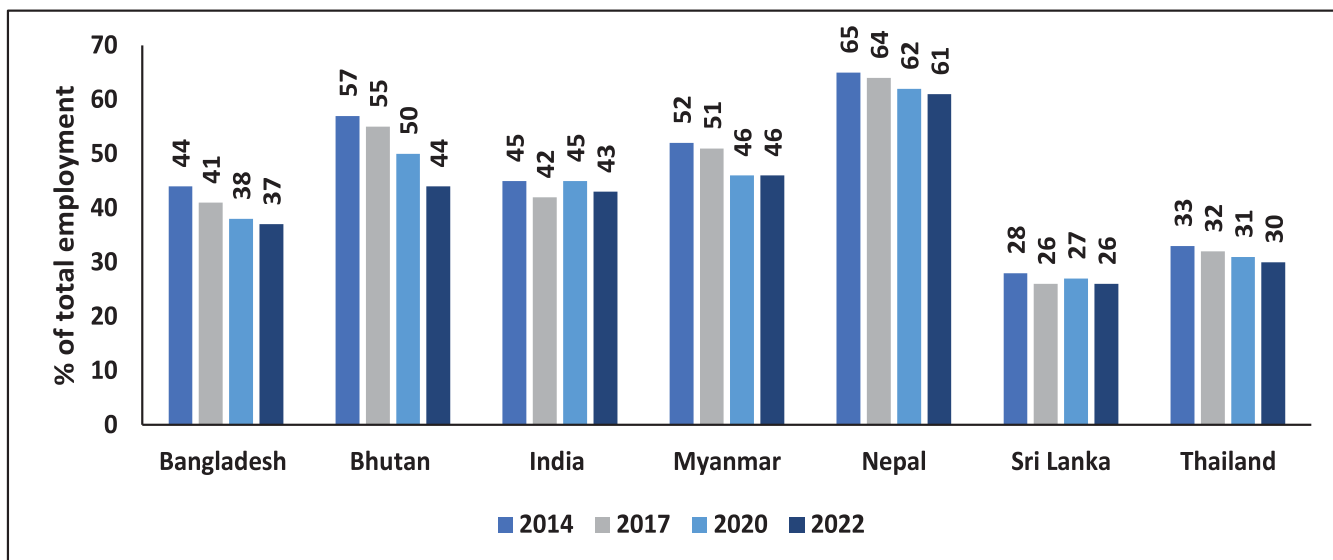


Source: World Bank

Employment in the Agriculture Sector

Figure 3 illustrates the declining trend in agricultural employment across BIMSTEC countries from 2014 to 2022. In Bangladesh, the share of total employment in agriculture dropped from 44% in 2014 to 37% in 2022. Similarly, Bhutan, Myanmar, Nepal, Sri Lanka, and Thailand also saw reductions in their agricultural employment shares over this period. India, however, experienced fluctuations in its employment percentage within the sector. These shifting employment patterns highlight a gradual transition away from agriculture as economies diversify, raising concerns about the sustainability of rural livelihoods in the region.

Figure 3: Employment in agriculture (% of total employment)

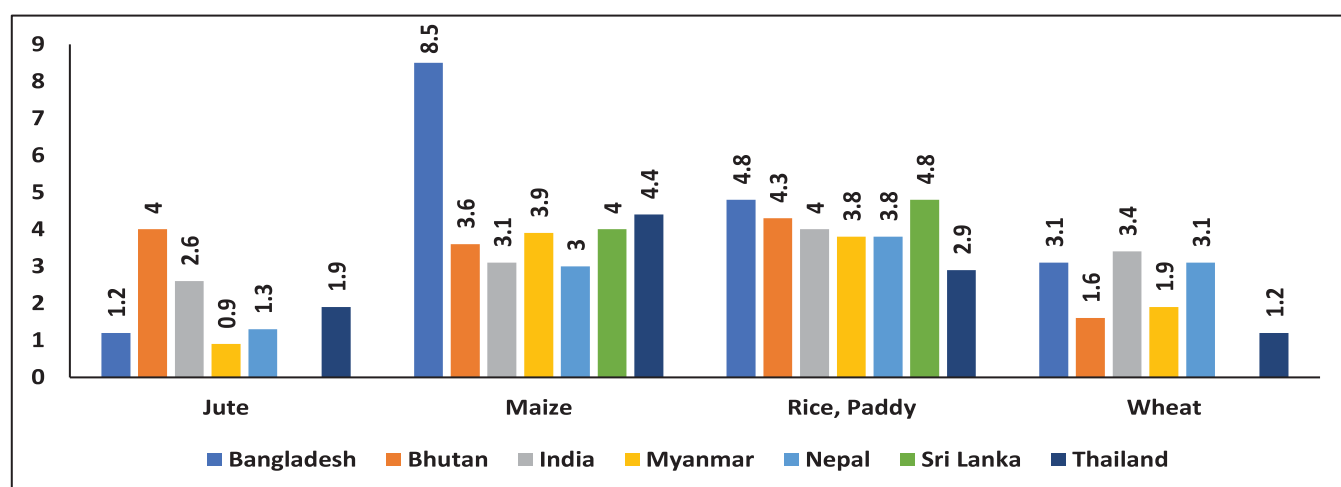


Source: World Bank (modeled ILO estimate)

Cooperation in Agricultural Production

Sharing agricultural technology is vital for enhancing productivity and resilience in the BIMSTEC region. India leads with innovations in areas such as remote sensing and soil health management, while Myanmar and Thailand contribute valuable expertise in climate-resilient crops. Bangladesh's advancements in aquaculture hold significant potential to improve fishery practices across the region. Figure 4 highlights the crop yields across BIMSTEC countries in 2020, measured in tons per hectare. Bangladesh leads in maize production with an impressive yield of 8.5 tons per hectare, far surpassing other countries. Bhutan records the highest jute yield at 4 tons per hectare. Rice paddy yields are more evenly distributed, with Bangladesh and Sri Lanka both achieving 4.8 tons per hectare. Wheat yields are also more evenly distributed, with Bangladesh and Sri Lanka both achieving 3.1 tons per hectare.

Figure 4: Yield of Selected Crops (tons per hectare in 2020)



Source: Food and Agriculture Organization (FAO)

To enhance agricultural production in the BIMSTEC region, countries with higher yields—such as Bangladesh for maize and Bhutan for jute—should share their best practices and technologies. While geographical conditions vary across member states, the exchange of knowledge on efficient farming techniques and crop management can significantly boost overall productivity. Collaborative efforts in sharing these innovations will contribute to improved food security and strengthen the region's agricultural sector.

Cooperation in Regional Agricultural Trade

BIMSTEC member states have established several bilateral trade agreements to strengthen cooperation (Table 2). These agreements, including various Memoranda of Understanding (MoUs), facilitate targeted partnerships between countries. They are designed to address specific challenges and opportunities, fostering focus and mutually beneficial collaboration.

Table 2: Major Bilateral Agreements and Memorandum of Understandings (MoUs)

Sl	Name of the Agreement/ MoU	Signing Parties	Year
1	Memorandum of Understanding (MoU) on bilateral cooperation in the field of Fisheries and aquaculture and allied activities	Bangladesh and India	September 2011
	Memorandum of Understanding (MoU) on agricultural cooperation	Bangladesh and Bhutan	September 2012
2	Memorandum of Understanding between Agriculture and Food Regulatory Authority, and Department of Agriculture Extension	Bangladesh and Bhutan	April 2017
3	Bilateral agreement on the export of urea fertilizer	Bangladesh Chemical Industries Corporation (BCIC) and KrishiSamagri Company Limited (KSCL) of Nepal	December 2020
4	Bilateral Agreement on Rice Export from Myanmar to Sri Lanka under G-to-G Arrangement	Ministry of Commerce of Myanmar and the Ministry of Trade of Sri Lanka	January 2022
5	Memorandum of Understanding for a long-term supply of urea and DAP fertilizers from India to Nepal under a G2G arrangement	India and Nepal	February 2022
6	Memorandum of Understanding on rice trade	Myanmar and Bangladesh	September 2022

Source: BIMSTEC Website

The agricultural trade landscape within the BIMSTEC region presents a varied picture (Table 3). Around 11% of the total agricultural exports from BIMSTEC countries are directed toward member states, while 15% of their agricultural imports originate within the region. For Bangladesh, regional trade plays a significant role, with 28% of its agricultural exports and 32%

of its imports occurring within BIMSTEC. Myanmar and Sri Lanka also exhibit moderate levels of regional trade concentration. In contrast, Bhutan and Nepal, as landlocked nations bordering only India, rely heavily on regional trade, particularly with India, for their agricultural exports and imports. On the other hand, the larger economies of India and Thailand show lower levels of regional agricultural trade. For instance, only 11% of India's agricultural exports and 9% of its imports are within BIMSTEC, while Thailand's figures are even lower, with 6% of its exports and 9% of its imports tied to the region.

These larger economies have significant potential to enhance regional trade. By increasing their focus on intra-regional agricultural trade, India and Thailand could strengthen economic ties within BIMSTEC, support the growth of smaller economies, and foster a more integrated and resilient regional economy.

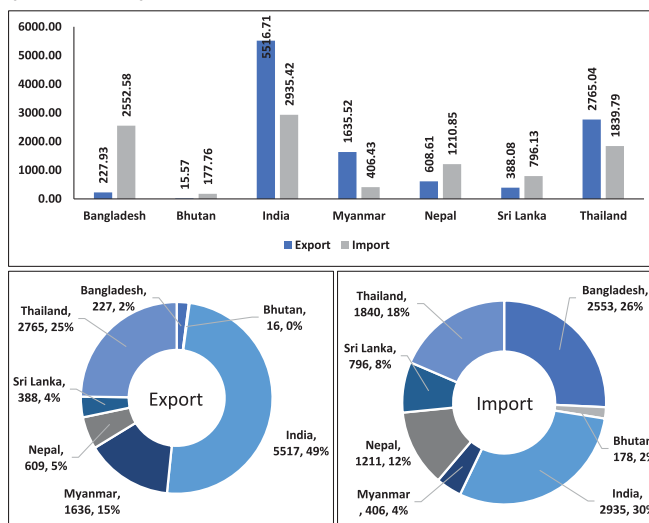
Table 3: Country-specific worldwide and within BIMSTEC region in 2023

Country/ Regional Trade Concentration	Export (In Million USD, Percentage) in 2023	Import (In Million USD, Percentage) in 2023
World	89507, 89% 	56725, 85%
Bangladesh (Medium)	580.29, 72% 	5308.28, 68%
Bhutan (High)	15.57, 95% 	177.76, 100%
India (Low)	43494.81, 89% 	28773.81, 91%
Myanmar (Medium)	2582.53, 61% 	1641.92, 80%
Nepal (High)	608.61, 92% 	1281.08, ...
Sri Lanka (Medium)	2692.80, 87% 	1728.87, 68%
Thailand (Low)	40105.17, 94% 	17990.91, 91%

Source: UN COMTRADE

Agricultural trade within the BIMSTEC region is predominantly driven by India and Thailand. In 2023, India contributed 49% of the region's agricultural exports, amounting to \$5,517 million, and accounted for 30% of imports, valued at \$2,935 million. Thailand ranked second, with exports of \$2,765 million and imports of \$1,840 million. Myanmar also stood out, with exports significantly surpassing imports—\$1,636 million compared to \$406 million. In contrast, countries like Bangladesh, Nepal, Sri Lanka, and Bhutan exhibited trade deficits in agriculture. For instance, Bangladesh imported agricultural products worth \$2,553 million but exported only \$228 million within the region (Figure 5).

Figure 5: Country-specific Regional Agricultural Trade in 2023 (Million USD)



Source: UN COMTRADE

Table 4 highlights the major agricultural exports and imports of BIMSTEC countries. Bangladesh exports jute, tea, rice, frozen shrimp, and seafood products while importing wheat, edible oil, pulses, and sugar. Bhutan's primary exports include oranges, potatoes, vegetables, and apples, with rice, maize, wheat, and various vegetables and fruits among its imports. India is a significant exporter of rice, wheat, cotton, sugarcane, spices, and seafood, but it imports vegetable oil, pulses, fruits, nuts, and sugar. Myanmar focuses on exporting rice, pulses, oilseeds, and seafood while importing edible oil, wheat, pulses, sugar, and dairy products. Nepal's key export is spice, with rice, wheat, edible oils, and frozen fish products as its main imports. Sri Lanka exports Ceylon tea, spices, rubber, coffee, coconut products, and seafood while importing wheat, sugar, and pulses. Thailand's exports include rice, sugar, tuna, shrimp, and other seafood products, and it imports edible oil, wheat, pulses, sugar, and dairy products.

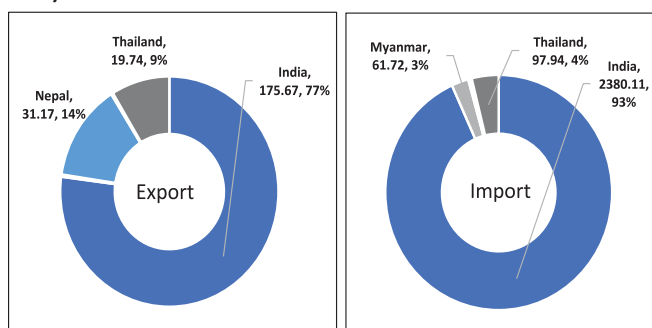
Table 4: Traded Agricultural Products

Country	Major Export Products	Major Import Products
Bangladesh	Jute, tea, rice, Frozen shrimp, seafood products.	Wheat, edible oil, pulse, sugar
Bhutan	oranges, potatoes, vegetables, and apples	Rice, maize, wheat, potatoes, vegetables, fruits, spices, frozen fish products
India	Rice, wheat, cotton, sugarcane, spices, frozen fish, shrimp, fish fillets, and processed seafood products	Vegetable oil, pulse, fruits & nuts, and sugar
Myanmar	Rice, pulse, oilseeds, frozen fish, and shrimp	Edible oil, wheat, pulse, sugar, dairy products
Nepal	Spice	Rice, wheat, edible oils, frozen fish products
Sri Lanka	Ceylon Tea and spices, rubber, coffee, coconut products, frozen fish, shrimp, and processed seafood items	Wheat, sugar, pulse
Thailand	Rice, sugar, Tuna, shrimp, fish fillets, and other seafood products	Edible oil, wheat, pulse, sugar, dairy products

Country-specific Trade Scenario

Bangladesh: Bangladesh's regional agricultural trade is heavily dominated by India, accounting for 77% of its regional exports and 93% of its regional imports. Only 14% of Bangladesh's agricultural exports are directed to Nepal, while Thailand supplies 4% of its agricultural imports. This high concentration of trade with India exposes Bangladesh to potential vulnerabilities, as heavy reliance on a single country for both exports and imports increases the risk of economic disruptions. This underscores the need for Bangladesh to diversify its trade partnerships to reduce dependency and enhance trade resilience (Figure 6).

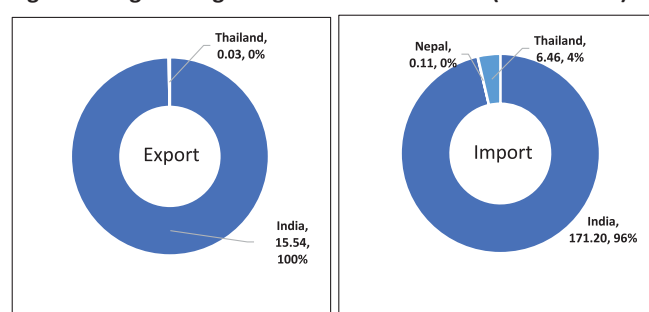
Figure 6: Regional Agricultural Trade of Bangladesh (Million USD)



Source: UN COMTRADE

Bhutan: Bhutan shares a land border exclusively with India, making its regional agricultural trade almost entirely dependent on its neighbor. Approximately 100% of Bhutan's regional agricultural exports, valued at \$15.54 million, and 96% of its agricultural imports, amounting to \$172.20 million, are with India. This heavy reliance on a single trading partner exposes Bhutan to potential risks from economic fluctuations or policy changes in India, which could disrupt trade stability and limit opportunities for diversification (Figure 7).

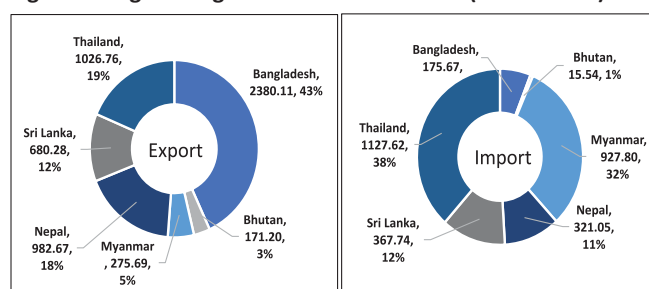
Figure 7: Regional Agricultural Trade of Bhutan (Million USD)



Source: UN COMTRADE

India: Figure 8 illustrates India's diversified agricultural trade within the BIMSTEC region. Bangladesh is the largest recipient of India's agricultural exports, accounting for 43% (\$2,380.11 million), followed by Thailand (19%), Nepal (18%), and Sri Lanka (12%). On the import side, India sources 38% (\$1,127.62 million) of its agricultural products from Thailand, 32% from Myanmar, and 11% and 12% from Nepal and Sri Lanka, respectively. This diversified trade network enhances India's economic stability and resilience by reducing dependence on any single country and fostering more balanced and secure trade relations across the region.

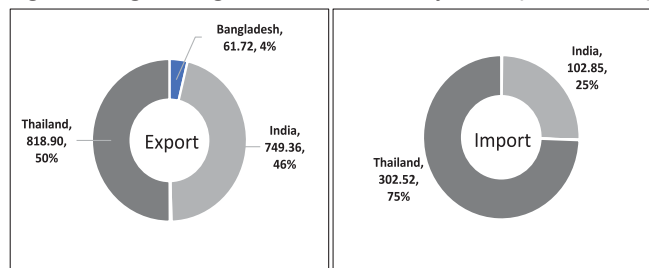
Figure 8: Regional Agricultural Trade of India (Million USD)



Source: UN COMTRADE

Myanmar: Figure 9 illustrates that Myanmar's exports are primarily directed towards Thailand, which accounts for 50% (\$818.90 million) of its exports, followed closely by India at 46%. On the import side, Myanmar is highly reliant on Thailand, which supplies 75% (\$302.52 million) of its agricultural imports, with India providing the remaining 25%. This suggests that Myanmar is not overly dependent on a single country, as it maintains strong trade relationships with both Thailand and India—two of the larger economies in the BIMSTEC region. The land connectivity with these two major economies gives Myanmar a strategic advantage, enabling the country to diversify its trade network.

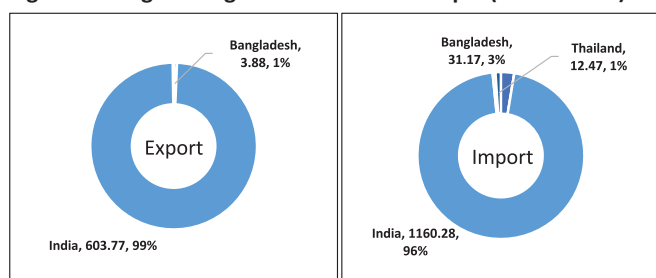
Figure 9: Regional Agricultural Trade of Myanmar (Million USD)



Source: UN COMTRADE

Nepal: Figure 10 highlights Nepal's strong reliance on India for its agricultural trade. Nearly all of Nepal's agricultural exports, accounting for 99% (\$603.77 million), are directed to India. On the import side, India also plays a dominant role, supplying 96% (\$1,160.28 million) of Nepal's agricultural imports. Like Bhutan, Nepal is vulnerable to risks stemming from changes in India's economy or policies. Diversifying its trade partners could enhance Nepal's economic resilience and reduce this dependency.

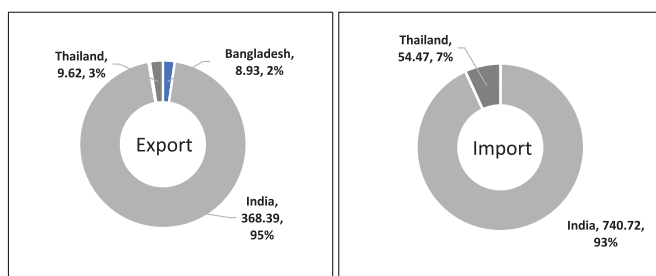
Figure 10: Regional Agricultural Trade of Nepal (Million USD)



Source: UN COMTRADE

Sri Lanka: Figure 11 illustrates Sri Lanka's agricultural trade within BIMSTEC, revealing a strong dependence on India. India receives 95% (\$368.39 million) of Sri Lanka's agricultural exports and supplies 93% (\$740.72 million) of its agricultural imports. This underscores Sri Lanka's heavy reliance on India for regional agricultural trade, similar to Bhutan and Nepal.

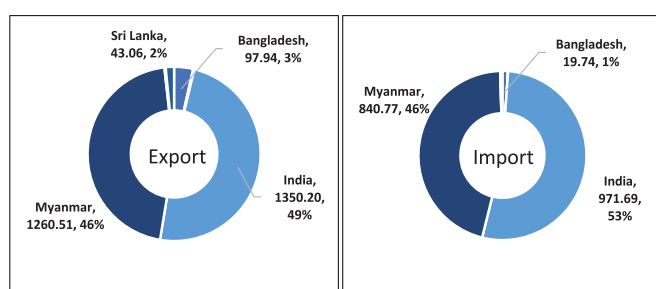
Figure 11: Regional Agricultural Trade of Sri Lanka (Million USD)



Source: UN COMTRADE

Thailand: Figure 12 highlights Thailand's significant trade engagement with India and Myanmar. India is the largest destination for Thailand's agricultural exports, accounting for 49% (\$1,350.20 million), followed closely by Myanmar at 46% (\$1,260.51 million).

Figure 12: Regional Agricultural Trade of Thailand (Million USD)



Source: UN COMTRADE

million), followed closely by Myanmar at 46% (\$1,260.51 million). On the import side, India supplies 53% (\$971.69 million) of Thailand's agricultural imports, while Myanmar provides 46% (\$840.77 million). This diversified regional trade network reduces Thailand's reliance on any single partner, strengthening its resilience and trade stability.

The analysis of agricultural trade within the BIMSTEC region reveals a concerning overreliance in India, with many member countries focusing their trade primarily on this single nation. While India and Thailand have more diversified trade relationships, the heavy dependence on India by other member states weakens the region's potential for a resilient and balanced economy. To enhance agricultural cooperation and ensure food security, BIMSTEC countries must pursue greater bilateral trade and reduce their reliance on one country. This diversification would not only strengthen economic ties but also improve resilience to economic shocks. As the region's leading trade partner, India has a critical role to play in promoting a more balanced and diversified trade network, ultimately fostering a more integrated and sustainable BIMSTEC region.

Challenges

- Trade barriers such as non-tariff measures, varying standards, and regulatory discrepancies can impede the smooth flow of agricultural goods within BIMSTEC, limiting the region's trade potential.
- The disparity in economic and technological development among member states presents challenges to effective collaboration and resource sharing.
- Geopolitical tensions and political differences may impact the willingness or ability of member states to fully engage in agricultural initiatives.
- Excessive reliance on a single country for trade undermines efforts to diversify trade partnerships and achieve greater economic resilience and stability within the region.

Recommendations

- Promoting technology sharing through established platforms for exchanging agricultural technologies, best practices, and innovations will enhance productivity and sustainability.
- Implementing capacity-building and training programs for farmers, agricultural scientists, and policymakers will foster expertise in modern agricultural techniques.
- Strengthening regional trade agreements by reducing trade barriers and harmonizing standards is crucial for facilitating the smoother movement of agricultural goods within BIMSTEC.
- Encouraging the diversification of trade partners within the region is essential to reduce dependence on a single country and bolster economic resilience.

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