

OUTCOME REPORT

BAY OF BENGAL ECONOMIC DIALOGUE 2021

Post-COVID 19 Challenges in the Bay of Bengal Region

8-11 February, 2021



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Message from Chairman



I have the immense pleasure to write an introductory message to the Outcome Document of the recently held First International Conference of the Bay of Bengal Economic Forum (BoBEF) Bay of Bengal Economic Dialogue 2021 on 08-11 February 2021 through video-conference in Dhaka. Recent years have shown increasing awareness of the opportunities offered through stronger regional cooperation in the Bay of Bengal. Despite pandemic-driven global crisis, the littoral States in the Bay of Bengal region have made considerable progress in social and economic sectors.

It has also been facing several challenges that cover a number of thrust areas and which call for concerted efforts by the Member States of BIMSTEC. Nevertheless, the responses to the Corona pandemic suggest a greater opportunity for regional cooperation among the countries in the Bay of Bengal region. The fourth BIMSTEC Summit had called for greater collaboration among academic, research institutes to promote people-to-people contacts, and the Joint Declaration stated, inter alia, "Agree to explore possibility of establishing appropriate BIMSTEC forums for parliamentarians, universities, academia, research institutes, cultural organizations and media community to expand the scope of people-to-people contacts."

The increasing complexity of the global challenge makes it imperative to operate and mobilize effective network of institutions, media and business institutions involved in the policy dialogue, which can generate considered documents for policy makers to take informed decisions. In view of the above, the think-tanks, civil society organizations and universities in Bay of Bengal region have collaborated to organize the BoBED on the theme "Post-Covid-19 Challenges in the Bay of Bengal Region", which was held during 08-11 February 2021.

The prime objective of the Dialogue was to deal with the emerging challenges, particularly in the view of Covid-19 pandemic and generate pragmatic and sustainable policies to support the regional cooperation and integration in the Bay of Bengal region. The Dialogue came out very successful in promoting awareness of regional cooperation potential in the Bay of Bengal region. The discussions indeed facilitated the stakeholders in designing strategies for sustainable and resilient recovery of the Bay of Bengal economies. This Dialogue was also a timely response to the call of BIMSTEC leaders who have recommended greater collaboration among academic, research institutes to promote people-to-people contacts.

I thank all the participating organizations who made this Dialogue a tremendous success. In particular, I am grateful to the South Asia Network of Economic Modelling (SANEM) for taking the lead in hosting the first BoBED. I should record my deep appreciation to Professor Selim Raihan, Executive Director, SANEM for providing his leadership and making available resources in organizing this timely and important Dialogue. I am also indebted to

Dr. Prabir De, Professor, ASEAN-India Center at the Research and Information System for his continued support and commitment in advancing the regional cooperation and integration in the Bay of Bengal region. It is my fervent hope that the Bay of Bengal Economic Forum will continue to meet regularly in promoting and advocating the necessity of regional cooperation and integration process in the Bay of Bengal region.

I am certain this Outcome Document will be an invaluable instrument to scholars, researchers, practitioners, opinion-makers and policy-makers not only in the Bay of Bengal region but elsewhere as well.

Ambassador Sumith Nakandala
Chairman
Bay of Bengal Economic Dialogue (BoBED) 2021

Message from Convener



Academics, policymakers and other stakeholders in the Bay of Bengal region and beyond agree on the need for greater regional integration in this region. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), founded in 1997, offers a platform to carry the regional integration agenda forward. However, the progress in the integration process in the Bay of Bengal region has remained slow. Also, achievements, in terms of trade, connectivity and cooperation, have been little and segmented.

In the context of an interdependent and interconnected world, the national economic and security priorities of the countries in the Bay of Bengal region are strongly connected to the collaboration across boundaries. Yet, the question remains, given the record of slow progress, whether there is any prospect of deeper integration in the Bay of Bengal region.

While the importance of trade and investment integration, through trade in goods and services, removal of tariff and non-tariff restrictions and promotion of regional investment and trade nexus, is critical, deeper regional integration in the Bay of Bengal needs favourable political economy factors.

The political economy perspective shows how various actors influence national and regional decision-making contexts. Also, the impacts their actions (or lack of action) have on the integration process. The interplays of different actors shape the political economy perspective. In this context, the role of official institutions, at the regional level and in respective countries, entrusted to carry out the regional integration process is vital. Therefore, the functioning of the BIMSTEC Secretariat and relevant ministries in the member countries is critical. Furthermore, the integration process is influenced by the roles of the private sector, private sector associations, civil society organizations, and media. The status of regional connectivity and regional trade facilitation in the BIMSTEC countries affects trade and investment integration. Finally, the success of the regional integration initiative in the BIMSTEC region will largely depend on how the political elites in the BIMSTEC countries see this integration process and whether there is a general agreement among them to carry the integration agenda forward. The experiences so far, however, suggest that there has not been any strong momentum of the aforementioned political economy factors in the BIMSTEC region to deepen the integration process.

Now the question is, given the lacklustre progress, do we need any major overhauling in the regional integration initiatives in the Bay of Bengal region, and therefore, do we need any new architecture of regional integration in this region? In my view, the answer is yes.

The prospects of trade and investment integration among the BIMSTEC countries are well documented in the various empirical literature. Intra-regional trade can go up by a few times if proper trade liberalisation and facilitation measures are undertaken. At the same time, the intra-regional investment can be enhanced through the effective operationalisation of the special economic zones in the countries of this region to attract intra- and extra-regional investments. The prospects of larger integration with the regional

value chain (RVC) and the global value chain (GVC) can be enhanced if countries can use the regional integration mechanism effectively. To enhance trade and investment nexus among the BIMSTEC region, the FTA negotiation needs to be finalised and efforts should be made to go for a comprehensive economic partnership agreement. There are 14 areas of cooperation in the BIMSTEC agreement and they need to be consolidated, focused, interconnected, pragmatic and operationalised. The BIMSTEC comprehensive economic partnership has to take into account the contexts and developments in the ASEAN integration process and also the Regional Comprehensive Partnership Agreement (RCEP). BIMSTEC integration should go beyond the seven-member countries (Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand) and include other economically advanced countries like Singapore, Indonesia and Malaysia.

The China factor is critical in the Bay of Bengal integration process. The China factor has both economic and political dimensions. While India has reservation about China due to its bilateral political relations, all BIMSTEC countries, in reality, have China as a major trading partner and a source of FDI. Therefore, there is a need for reconciliation of the China factor in the Bay of Bengal integration process.

Despite that there are diverse interests among the BIMSTEC countries, to make the BIMSTEC process effective, as the largest country in this region, India has a compelling justification to put a greater focus on regional connectivity and relations with Southeast Asia. Also, small BIMSTEC countries should see this cooperation as an opportunity in rising their capabilities to enjoy the benefits of integrating with large markets of India and Southeast Asia. There is a need for a range of operational and substantive reforms for enhancing regional movements of goods, services and people, through prioritizing seamless physical connectivity and high-quality infrastructure.

Efforts to overhaul the integration process in the Bay of Bengal region requires normative dialogues about the desirable and substantive form of regional architecture in this region. For BIMSTEC to thrive, India, as the most influential country in the region, would have to take the lead, spend resources and make proactive measures to make the BIMSTEC Secretariat the leading institution of the Bay of Bengal. All members of BIMSTEC have to provide the Secretariat with sufficient resources and undertake reforms to improve its capabilities.

Finally, while we talk about the political commitment for regional integration, we should keep in mind that political commitment is not strongly exogenous. It is also dependent on certain factors like domestic politics, bilateral political relations between countries, the country's overall development strategy, and external factors beyond this region, primarily geo-political. We often blame the bureaucrats for the slow progress in regional integration. But, it is the political elite that finally decides. Unless clear messages and signals are there from the political elites, bureaucrats can hardly make any progress. The lack of effort for integration in the BIMSTEC region is not primarily an economic or bureaucratic problem, it's primarily a political economy problem. There is a need for agreement among the elites – both political and economic elites - at the regional level. While economic elites feel the necessity of integration, political elites are divided. Regular consultations, people-to-people connectivity, interactions among political and economic elites, and promotion of political liberalism can help to reach a “regional political agreement” for a successful Bay of Bengal integration.

Dr Selim Raihan
Professor of Economics, University of Dhaka
Executive Director, SANEM
Convener, Bay of Bengal Economic Dialogue (BoBED) 2021

Agenda

Day I: 8 February 2021

05:30 PM – 06:15 PM WELCOME SESSION

Dr Selim Raihan, Professor, Department of Economics, University of Dhaka and Executive Director, SANEM, Bangladesh

Mr Achyut Bhandari, Co-founder, Centre for Research on Bhutanese Society (CRBS), Bhutan

Dr Prabir De, Professor, ASEAN-India Centre (AIC), Research and Information System for Developing Countries (RIS), New Delhi

Dr Puspa Sharma, Executive Director, South Asia Watch on Trade Economics and Environment (SAWTEE), Nepal

Ambassador Sumith Nakandala, Distinguished Fellow, Pathfinder Foundation, and Former Secretary General, BIMSTEC, Sri Lanka

Dr Surat Horachaikul, Director, Indian Studies Center, Chulalongkorn University, Thailand

06:30 PM – 08:00 PM INAUGURAL SESSION

Chief Guest H.E. Dr A. K. Abdul Momen, MP, Hon'ble Foreign Minister, Government of the People's Republic of Bangladesh

Special Guest H.E. Mr Tenzin Lekphell, Secretary General of BIMSTEC

Moderator Dr Selim Raihan, Professor, Department of Economics, University of Dhaka and Executive Director, SANEM, Bangladesh

Remarks by Ambassador Chutintorn Sam Gongsakdi, Deputy Permanent Secretary (Multilateral Cooperation), Ministry of Foreign Affairs, Thailand

Prof. Sachin Chaturvedi, Director General, Research and Information System for Developing Countries (RIS), India

Mr Tirtha Raj Wagle, Joint Secretary and Head, Regional Organization Division, Ministry of Foreign Affairs, Government of Nepal

Dr Kinlay Dorjee, Senior Agriculture & Development Economist, Bhutan

Day II: 9 February 2021

11:00 AM – 12:15 PM KEYNOTE SESSION

Keynote Speaker: Professor Rehman Sobhan, Chairman, Centre for Policy Dialogue (CPD), Bangladesh

Chair: Ambassador Sumith Nakandala, Distinguished Fellow, Pathfinder Foundation, and Former Secretary General, BIMSTEC

Remarks by Dr Suthiphand Chirathivat, Professor Emeritus, Chulalongkorn University, Thailand

Dr Posh Raj Pandey, Chairman, South Asia Watch on Trade, Economics and Environment (SAWTEE), Nepal
Dr Nitya Nanda, Director, Council for Social Development (CSD), India

02:30 PM – 04:00 PM ORGANIZED SESSION: DIGITAL CONNECTIVITY AND E-COMMERCE

Chair: Dr Posh Raj Pandey, Chairman, South Asia Watch on Trade, Economics and Environment (SAWTEE), Nepal

Panellists: Ms Maliha M Quadir, Founder and Managing Director, Shohoz Limited, Bangladesh
Ms Deepali Gotadke, Founder and Business Owner, Web Dreams, Hubli, Karnataka, India
Mr Kshitiz Dahal, Research Officer, SAWTEE, Nepal
Ms Hang Tran, Senior Coordinator, Enhanced Integrated Framework
Q&A

04:30 PM – 06:00 PM ORGANIZED SESSION: TRADE AND REGIONAL VALUE CHAINS

Chair: Dr Ganeshan Wignaraja, Adjunct Senior Fellow, RIS; Senior Visiting Fellow, Pathfinder Foundation and Non-Resident Senior Fellow, Institute of South Asian Studies, NUS, Singapore

Special Remarks: Mr Tadateru Hayashi, OIC and Unit Head, SASEC, Regional Cooperation and Operations Coordination Division, South Asia Department, Asian Development Bank (ADB), Manila

Panellists: Dr Rajan Ratna, Economic Affairs Officer, UNESCAP, New Delhi
Dr Fahmida Khatun, Executive Director, Centre for Policy Dialogue (CPD), Dhaka
Dr Saikat Sinha Roy, Professor, Department of Economics, Jadavpur University, Kolkata
Ms Subhashini Abeyasinghe, Research Director, Verité Research, Colombo
Mr Afaq Hussain, Director, Bureau of Research on Industry and Economic Fundamentals (BRIEF), Delhi
Q&A

06:30 PM – 07:30 PM PAPER PRESENTATION (TRADE)

Chair: Prof. S K Mohanty, Research and Information System for Developing Countries (RIS), New Delhi

06:30 PM – 07:00 PM Paper presentation

“Assessing participation of BIMSTEC countries in global and regional value chains”, Dr Mia Mikic, Former Director, Trade, Investment and Innovation Division of the UNESCAP, Thailand; Ms Luna Ge LAI, PhD Candidate, Victoria University of Wellington, New Zealand

□ “Role of intraregional trade openness on fostering SDGs in BIMSTEC countries at Post-COVID period” Ms Shamima Sharmin, Joint Director, Financial Stability Department, Bangladesh Bank; Dr Kazi Arif Uz Zaman, Joint Director, Financial Stability Department, Bangladesh Bank

□ “Integration of small and medium enterprises in BIMSTEC regional value chain for sustainable post Covid Recovery” Mr Nishant Khanal, Master’s Student, Lee Kuan Yew School of Public Policy, National University of Singapore; Mr Padam Raj Paneru, Tribhuvan University, Nepal

07:00 PM – 07:10 PM Discussant: Dr M. A. Razzaque, Research Director, Policy Research Institute of Bangladesh (PRI), Dhaka

07:10 PM – 07:30 PM Open discussion and remarks by the Chair

07:30 PM – 08:30 PM PAPER PRESENTATION (REGIONAL COOPERATION)

Chair: Dr Ravi Ratnayake, Former Director of Trade and Investment Division of the UNESCAP, Bangkok

07:30 PM – 08:00 PM Paper presentation

□ “Bay of Bengal Forum to accomplish regional cooperation”, Dr Y. Yagama Reddy, Emeritus Professor, Centre for Southeast Asian & Pacific Studies, Sri Venkateswara University, India

□ “Strategic public investment in agriculture for sustainable development in South Asia”, Dr Swati Jain, Assistant Professor, Department of Economics, University of Allahabad, India

□ “Trends and the way forward post Covid-19 in food security by the BIMSTEC nations”, Ms. Swati Verma, Symbiosis International University, India; Ms Aratrika Deb, Symbiosis International University, India

08:00 PM – 08:10 PM Discussant: Dr Paras Kharel, Research Director, SAWTEE, Nepal

08:10 PM – 08:30 PM Open discussion and remarks by the Chair

Day III: 10 February 2021

11:00 AM – 12:00 PM PAPER PRESENTATION (HEALTH AND EDUCATION)

Chair: Dr Mia Mikic, Former Director, Trade, Investment and Innovation Division of the UNESCAP, Bangkok

11:00 AM – 11:30 AM Paper presentation

□ “Need for cooperation in public health in BIMSTEC”, Ms Banantika Datta, Indian Institute of Management Bangalore, India

□ “Students’ perception of e-learning during the Covid-19 pandemic: A Study Based on Faculty of Arts, University of Peradeniya Sri Lanka”, Ms R.M.M. Mayoshi, PhD Candidate, Transilvania University of Brasov, Romania and Professor A.S.P. Abhayaratne, Department of Economics and Statistics, Faculty of Arts, University of Peradeniya, Sri Lanka

□ “Impact of COVID-19 on education sector: Bangladesh perspective”, Ms Sonamoni Karmaker, Institute of Chartered Accountants of Bangladesh (ICAB); Ms Najeefa Kabir, Student, Institute of Chartered Accountants of Bangladesh (ICAB)

11:30 AM – 11:40 AM Discussant: Dr Sayema Haque Bidisha, Professor, Department of Economics, University of Dhaka, and Research Director, SANEM

11:40 AM – 12:00 PM Open discussion and remarks by the Chair

12:00 PM – 01:00 PM PAPER PRESENTATION (EMPLOYMENT CHALLENGES)

Chair: Dr Arup Mitra, Professor of Economics, Institute of Economic Growth, Delhi

12:00 PM – 12:30 PM Paper presentation

□ “Effects of COVID-19 on the rural non-farm self-employed in India: does skill make a difference?” Dr Indrajit Bairagya, Assistant Professor, Centre for Human Resource Development, Institute for Social and Economic Change, Bangalore, India

□ “Prospects and challenges of skilling amidst the outbreak of Covid-19 pandemic: A case of Indian labour market”, Dr Mitali Gupta, Assistant Professor (Economics), Institute for Studies in Industrial Development (ISID), New Delhi, India; Dr Manik Kumar, Policy Analyst, Centre for Budget and Governance Accountability (CBGA), India

□ “Covid-19 and its impact on the sectoral employment in India”, Dr Akhilesh K. Sharma, Assistant Professor, Institute for Studies in Industrial Development, India; Dr Sushil K. Rai, Associate Professor, University of Petroleum and Energy Studies, India

12:30 PM – 12:40 PM Discussant: Dr Sher Verick, Head of Employment Strategies Unit, International Labour Organization (ILO)

12:40 PM – 01:00 PM Open discussion and remarks by the Chair

02:30 PM – 04:00 PM ORGANIZED SESSION: REGIONAL CONNECTIVITY IN BAY OF BENGAL REGION

Chair Dr Ajitava Raychaudhuri, Professor, Department of Economics, Jadavpur University, Kolkata

Special Remarks Professor Mustafizur Rahman, Distinguished Fellow, Centre for Policy Dialogue (CPD), Dhaka

Panellists Mr So Umezaki, Director, IDE-JETRO, Japan

Dr Anasua Basu Ray Chaudhury, Senior Fellow, Neighbourhood Initiative, Observer Research Foundation (ORF), Kolkata

Mr Achyut Bhandari, Co-founder, Centre for Research on Bhutanese Society (CRBS), Bhutan
Dr Ruth Banomyong, Associate Professor and Dean, Thammasat Business School, Thammasat University, Bangkok

Mr Rabi Shankar Sainju, Former Joint Secretary, Government of Nepal; and Consultant, ADB Nepal Office, Kathmandu

Q&A

04:30 PM – 06:00 PM ORGANIZED SESSION: INSTITUTIONAL CHALLENGES FOR POST COVID RECOVERY

Chair Dr Selim Raihan, Professor, Department of Economics, University of Dhaka and Executive Director, SANEM, Bangladesh

Presenter Dr Kazi Maruful Islam, Professor, Department of Development Studies, University of Dhaka, Bangladesh

Panellists: Dr Dilli Raj Khanal, Former Member, National Planning Commission, Nepal

Dr Sabyasachi Kar, RBI Chair Professor, National Institute of Public Finance and Policy (NIPFP), India

Professor Ajitha Tennakoon, University of Kelaniya, Colombo, Sri Lanka

Dr Arpita Mukherjee, Professor, Indian Council for Research on International Economic Relations (ICRIER), India
Dr Nopphol Witvorapong, Associate Professor, Chulalongkorn University, Thailand
Q&A

06:30 PM – 08:30 PM ORGANISED SESSION: DEEPENING HEALTH SECTOR COOPERATION IN THE BAY OF BENGAL REGION

Chair: Dr Ali Mehdi, Senior Visiting Fellow, Indian Council for Research on International Economic Relations (ICRIER), New Delhi

Special Remarks Prof. T C James, Distinguished Fellow, Research and Information System for Developing Countries (RIS), New Delhi

Dr Mushtaque Chowdhury, Convener, Bangladesh Health Watch; Professor of Clinical Population and Family Health, Columbia University Maliman School of Public Health

Panellists: Dr Karma Lhazeeen, Director, Department of Public Health, Bhutan
Dr Rumana Huque, Professor Department of Economics, University of Dhaka
Dr Reji K. Joseph, Associate Professor, Institute for Studies in Industrial Development (ISID), New Delhi
Dr Sameer M Dixit, Co-Founder & Director of Research, Center for Molecular Dynamics Nepal (CMDN), Nepal
Dr Thushani Dabrera, Consultant Community Physician, Regional Directorate of Health Services, Puttlam District, Sri Lanka
Q&A

Day IV: 11 February 2021

11:00 AM – 12:00 PM PAPER PRESENTATION (CROSS-CUTTING ISSUES)

Chair: Dr Ahsan H. Mansur, Executive Director, Policy Research Institute of Bangladesh (PRI), Dhaka

11:00 AM – 11:30 AM Paper presentation

□ “Trends in the inflow of foreign direct investment in India”, Ms Aratrika Deb, Student, Symbiosis International University, India; Ms Swati Verma, Student, Symbiosis International University, India

□ “Determinants of current account performance of selected South Asian economies: an application of PMG-ARDL model”, Dr Hrushikesh Mallick, Associate Professor, Centre for Development Studies (CDS), India

□ “Recreational and conservation valuation of Sundarbans mangrove forest in Bangladesh: approach of contingent valuation”, Dr Md. Hafiz Iqbal, Assistant Professor of Economics, Government Edward College, Pabna, Bangladesh; Dr Md. Elias Hossain, Professor, Department of Economics, University of Rajshahi, Bangladesh

11:30 AM – 11:40 AM Discussant: Dr Monzur Hossain, Research Director, Bangladesh Institute of Development Studies (BIDS), Dhaka

11:40 AM – 12:00 PM Open discussion and remarks by the Chair

02:30 PM – 04:15 ORGANIZED SESSION: TACKLING POST-COVID CHALLENGES IN THE BAY OF BENGAL REGION

Chair: Dr Nagesh Kumar, Director and Head, South and South-West Asia Office, UNESCAP, New Delhi

Special Remarks: Dr Debapriya Bhattacharya, Distinguished Fellow, Centre for Policy Dialogue (CPD), Dhaka

Panellists: Dr Amitendu Palit, Senior Research Fellow and Research Lead (Trade and Economics), Institute of South Asian Studies, National University of Singapore, Singapore

Dr Amita Batra, Professor of Economics, Centre for South Asian Studies, Jawaharlal Nehru University (JNU), New Delhi

Dr Dushni Weerakoon, Executive Director, Institute of Policy Studies of Sri Lanka (IPS), Colombo

Dr Shankaran Nambiar, Senior Fellow, Malaysian Institute of Economic Research (MIER), Kuala Lumpur

Professor Sanjeev Mehta, Head of Faculty of Social Sciences, Royal Thimphu College, Thimphu

Q&A

04:30 PM – 06:00 PM ORGANISED SESSION: STRENGTHENING PEOPLE TO PEOPLE CONTACTS

Chair Prof. Surat Horachaikul, Director, Indian Studies Center, Chulalongkorn University, Bangkok

Special Remarks: Amb. Rajiv Bhatia, Distinguished Fellow, Gateway House, Mumbai

Panelists: Mr Sabyasachi Dutta, Executive Director, Asian Confluence, Shillong

Dr Sreeradha Datta, Centre Head & Senior Fellow, Neighbourhood Studies, Vivekananda International Foundation, New Delhi

Ms Nobonita Chowdhury, Director, Gender, Justice & Diversity (GJD), and Preventing Violence Against Women Initiative, BRAC, Dhaka

Mr Manoj Das, Assistant Professor, Centre for Southeast Asian Studies, Gauhati University, Guwahati

Q&A

06:30 PM – 07:30 PM CLOSING SESSION

Release of Summary of Dialogue

Remarks by Dr Selim Raihan, Professor, Department of Economics, University of Dhaka and Executive Director, SANEM, Bangladesh

Mr Achyut Bhandari, Co-founder, Centre for Research on Bhutanese Society (CRBS), Bhutan

Dr Prabir De, Professor, ASEAN-India Centre (AIC), Research and Information System for Developing Countries (RIS), New Delhi

Dr Puspa Sharma, Executive Director, South Asia Watch on Trade, Economics and Environment (SAWTEE), Nepal

Ambassador Sumith Nakandala, Distinguished Fellow, Pathfinder Foundation, and Former Secretary General, BIMSTEC, Sri Lanka

Dr Surat Horachaikul, Director, Indian Studies Center, Chulalongkorn University, Thailand

Transcript of Inaugural Session

Dr Selim Raihan:

On behalf of SANEM, I welcome you to the Bay of Bengal Economic Dialogue 2021 on “Post-COVID Challenges in the Bay of Bengal Region” which is being held on 8-11 February 2021. We have already had the welcome session and now we are having the inaugural session. I sincerely hope that the Bay of Bengal Economic Dialogue will create an opportunity for sharing ideas and insights on how countries within this region confronted the COVID-19 crisis and the need for deeper integration among the countries in the region to tackle the post-COVID challenges. Within this backdrop of the ongoing COVID-19 pandemic, the need for regional economic integration and collaboration is now more than ever. In our effort to start this timely discussion, we have partnered with the following organizations: ASEAN-India Centre (AIC), RIS, India; South Asia Watch on Trade, Economics and Environment (SAWTEE), Nepal; Indian Studies Center (ISC) of Chulalongkorn University, Thailand; Pathfinder Foundation (PF), Sri Lanka; and Centre for Research on Bhutanese Society (CRBS), Bhutan. We’re extremely delighted to have His Excellency, Dr A K Abdul Momen, MP, Honorable Foreign Minister, Government of the People’s Republic of Bangladesh, as the Chief Guest of the inaugural session. We are equally delighted to have His Excellency, Mr Tenzin Lekphell, Secretary General of BIMSTEC, as the Special Guest. The other dignitaries in this session are Ambassador Chutintorn Sam Gongsakdi, Deputy Permanent Secretary, Ministry of Foreign Affairs, Thailand; Professor Sachin Chaturvedi, Director General, Research and Information System for Developing Countries (RIS), India; Mr Tirtha Raj Wagle, Joint Secretary and Head, Regional Organization Division, Ministry of Foreign Affairs, Government of Nepal; and Dr Kinlay Dorjee, Senior Agriculture & Development Economist, Bhutan. Although we were expecting to have Ambassador Bernard Goonetilleke, Chairman, Pathfinder Foundation, Sri Lanka, with us today, he has sent his regrets for not being able to attend this session due to an urgent meeting with the Honorable Prime Minister of Sri Lanka. We look forward to hearing from Ambassador Sumith Nakandala, Distinguished Fellow, Pathfinder Foundation, and Former Secretary General, BIMSTEC, Sri Lanka, in his place. We will start the inaugural session with remarks by the dignitaries and at the end, we will hear from the Special Guest and the Chief Guest. With this, I would like to once again welcome you all to the inaugural session.

Ambassador Chutintorn Sam Gongsakdi:

Honorable Foreign Minister of Bangladesh, Excellencies, colleagues, we now live in times of uncertainty and continued disruption. In January 2014, CEOs attending the World Economic Forum in Davos started to talk about disruptive innovation from emerging technologies and changing consumer behavior. Fast forward six years to January 2020, the IMF predicted that the world faced a US\$12 trillion economic disruption as companies adjust to maintain sustainability and ensure inclusivity throughout society. In March 2020, COVID-19 became a global pandemic, accelerating the tsunami of disruption the world has not seen since the last World War. Recovery, even survival, in this new normal era is absolutely conditional on two things: the success of pandemic control and the ability to adapt. Today, I would like to discuss with you what that means for the countries in the Bay of Bengal and how should we and our stakeholders adapt. Pre-pandemic challenges are the 4th Industrial Revolution, characterized by artificial intelligence replacing human input, high-tech production technology, digitalization of business management and changes in consumer behavior. Post-pandemic challenges are evolving infectious disease control strategies, supply-chain integrity, restricted cross-border flow of people and goods, and intensification of online activities. With this context in mind, Thailand sees the way forward, not only in BIMSTEC but

also in ASEAN and APEC, through utilizing the bio-circular green economy model. In BCG, “B” stands for “bio-economy”, the production of renewable biological resources and the conversion of these resources into high-value added products which are green and renewable, “C” stands for “circular economy” which focuses on reusing and recycling our resources, and “G” is for “green economy” which aims to keep all economic activities in balance with the environment, securing sustainable development. We have identified four areas of collective comparative advantage where the BCG economic model could be applied: food and agriculture, materials and energy, health and medicine, and tourism. Simultaneously, science and digital technology are cross-cutting tools to be applied to these sectors to reach a higher level of productivity with new product champions. In food and agriculture, we can promote smart farms and farmers, producing higher-value added products using less costly inputs in a more sustainable manner. In health and medicine, the future lies in the research and production of medical bioactive products as well as using big data to improve the quality of life through the one health approach. COVID-19 has also shown us the valuable role of telemedicine. Linking material science with biotechnology has great potential in a region rich in bio resources. The production of bio-fuel from industrial waste, production of biomaterials and biodegradable compounds and harnessing energy from biomass are but a few examples. In tourism, smart cities as well as creative products and services can also be a key enabler of travel and tourism recovery. The post-COVID era is an opportune time to push for higher value sustainable tourism, balancing the preservation of our environment while protecting the livelihood of stakeholders that depend on it. Thailand sincerely believes that the bio-circular and green economy or BCG economy model could provide smart and multifaceted solutions to community efforts, not only to rebuild our livelihoods post COVID-19, but to build back better and smarter. Nevertheless, we will still keep our efforts firmly focused on long-term goals that BIMSTEC member states have worked on together for so long. First, we will continue to support the important work towards the BIMSTEC FTA in order to realize the economic potential of our regional market and investment destination of more than 1.5 billion people. Second, as a lead country on the connectivity pillar of BIMSTEC cooperation, we will continue our work to translate the BIMSTEC master plan on transport connectivity into greater connections on both land and sea. As tourism, business and business travel are important for all BIMSTEC member states, we will also work hard for the revival post-COVID- 19 with sustainability as a key word. Thailand is ready to follow in the capable footsteps of Sri Lanka later this year in inheriting the BIMSTEC chairmanship and work constructively with all stakeholders to empower our people, so that they can have a safe, prosperous and resilient future. This we will do through imparting the BCG economy model into our work wherever and whenever it is relevant. Thank you very much.

Mr Tirtha Raj Wagle:

Honorable Minister for foreign affairs of the government of the people’s republic of Bangladesh, His Excellency, the Secretary General of BIMSTEC, Executive Director of SANEM, distinguished participants, it is indeed my great honor and pleasure to attend today’s inaugural session of the Bay of Bengal Economic Forum 2021. I thank the organizers including SANEM, SAWTEE and other South Asian organizations for hosting this program and giving me this opportunity. The theme of the Forum, “Post COVID-19 challenges in the Bay of Bengal region” is timely and relevant. I believe today’s deliberations to be followed for three days by discussions and sharing of expert views, experiences and innovative ideas during the sector-specific sessions will be instrumental in suggesting better ways to fight the challenges of COVID-19 pandemic. Excellencies, we all stand at the crossroad of post-COVID pandemic. The pandemic has posed an unprecedented circumstance to the entire globe and our region is not an exception. It has not only impacted the health and well-being of our people, but also livelihoods, economies and all aspects of development in the region.

The pandemic has exposed vulnerabilities of our economies, including the weaknesses and resilient capacities of the major economic sectors. The hard-earned development gains, including the achievement of the SDGs, have been severely impacted due to the pandemic. The development and distribution of the COVID-19 vaccines has helped to raise people's confidence in fighting the pandemic and resume individual and business activities. In this context, we would like to thank our friendly countries for providing support and cooperation in our efforts to fight the pandemic, including the government of India for its support through the supply of COVID-19 vaccines as a donation to Nepal and other countries. Given its unique feature and strong nuts of inter-linkages and interdependence among the member states, the BIMSTEC presents great potentials for deepening and widening cooperation for the development and prosperity in the region. Our collective fight against the challenges in the region including COVID-19 pandemic, underscores concerted actions by the member states in the priority areas of cooperation under the BIMSTEC framework. Cooperation between the government and private sector has been a priority of the BIMSTEC, as directed by the fourth BIMSTEC summit held in Kathmandu in 2018. We reiterate the need to revitalize the activities of the BIMSTEC Business Forum and BIMSTEC Economic Forum to further strengthen government and private sector cooperation for the promotion of trade and investment. It is vital to strengthen the public health sector and step up supply chain resiliency to confront the pandemic and restore economic growth. This calls for targeted actions on public health management, epidemiology, research and training, and experience-sharing among the member states. Active cooperation among concerned agencies, including in the area of traditional medicine, will help advance public health services in effective and result-oriented manner. Eradication of poverty is the greatest challenge of the region in realization of the development objectives, including achievement of the agenda 2030 for sustainable development. Effective implementation of the BIMSTEC poverty plan of action and intensified efforts in all related sectors will be significant to achieve the overarching goal of poverty alleviation. Development of seamless multimodal linkages of all modes of transportation and connectivity and ensuring smooth, simplified and unhindered transit facilities are essential to promote synergy among connectivity frameworks and economic integration for shared prosperity. The faster and adequate supply of vaccines and medical items is dependent on the smooth connectivity and transportation network. The success of immunization services relies on related logistical arrangements, including vaccine and cold chain management and immunization safety. Trade and investment are major contributing factors to foster socio-economic development in the region. Trade facilitation measures including simplification of customs procedures and removal of the barriers to trade are impotent to build up the supply chain in the region. Regional integration is a key enabler to substantial economic gains in the region. Overcoming the problems of impediments to the flow of trade in goods, services, people and ideas is a must, especially at the difficult time of a pandemic. The BIMSTEC region has high potentials of renewable and clean energy resources. We need to work together to provide uninterrupted and affordable power supply for the economic development and well-being of the people in the region through energy trade. Enhanced cooperation in the development ensuring access and sharing of affordable technologies, including for SMEs, contribute to help promote sustainable development and support our efforts in fighting the common challenges. Agriculture is the backbone of economic development of food security. We emphasize on advancement of this sector, including preservation and promotion of knowledge about traditional farming, in order to increase productivity and profitability of agricultural produce in a sustainable manner and facilitate agricultural trade among member countries. We need to take concrete steps to promote intra-BIMSTEC tourism, enhance culture exchanges and promote people-to-people contacts among the member states in order to boost the economic activities and consolidate multi-dimensional ties between and among the member states. The region continues to bear negative effects of climate change and natural disasters. Collective efforts are essential to reverse the situation, including promoting mountain and blue economy to ensure conservation of

mountain and marine ecosystems and their biodiversity. We underscored the necessity of providing meaningful cooperation to the least developed and landlocked developing countries in the region to support their development, taking into consideration their special needs and circumstances. The government of Nepal have accorded topmost priority to protecting people's lives during the pandemic. We have initiated necessary policies and programs and provided required budgetary relief incentives and stimulus packages to counter the hardship faced by the affected people and sectors due to the COVID-19. Appropriate safety and health protocol have been executed, supported by adequate awareness programs. Nepal stands ready to continue working with the BIMSTEC member states and the private sector in advancing the regional cooperation process in mutually beneficial areas, including fighting the COVID-19, sharing of information, experience, technology, technical support, preventive measures and capacity building will be highly contributed. To this end, we can provide a fresh impetus to regional cooperation process and make the Bay of Bengal region peaceful, prosperous and sustainable by building on our common strengths, collective resolve and concerted actions. Finally, I wish the Bay of Bengal Economic Forum 2021 all success.

Professor Sachin Chaturvedi:

Thanks a lot Dr Selim Raihan for this opportunity. I must congratulate SANEM and all other partner institutions and BIMSTEC for getting this organized and I must congratulate you for imagining and putting this exhaustive three-day long agenda for Bay of Bengal Economic Dialogue as you have proposed. At the outset, I must greet His Excellency, Dr Abdul Momen, Foreign Minister of government of the people's republic of Bangladesh and His Excellency, Mr Tenzin Lekphell, the Secretary General of BIMSTEC, my very dear friend, Ambassador Sam, for his very kind presence today and it is an honor to share this dice with him. I really wish COVID-19 would be over soon and we would be able to meet in person. It is a great opportunity for us to talk today. When we are thinking of the Bay of Bengal, we are thinking of it at a very challenging point in our history of economic, social and political development and when the COVID-19 has adversely affected prospects for many countries, not only in terms of earnings and our social fabric, but it has also affected the consistent flow that economies in this region are doing. We have seen the latest economic outlook from IMF which has predicted a 3.5 percent decline in income and job losses, inequality and insecurity. It has also shown how globally we are going to have a contraction of 4.9 percent in the economy and largely this burden would be borne by small countries. It would be borne by economies which are at the periphery and this burden is huge in terms of how we galvanize. I think it would be important and recalling the fact that SANEM and Bangladesh have been playing an important role as Bangabandhu at some point suggested, the idea of developing countries coming together. I'm extremely delighted that Bangladesh has provided the leadership in terms of inclusive development that any society would envisage but at this point, it is also a time for us to do introspection in terms of the ideas which are important in development. We require a new narrative on development in terms of creating human capabilities. As Amartya Sen suggested, the human capabilities are required across our societies and across our community groupings. It means providing the ability for distributing income, wealth, productive implements, healthcare and also skill sets. It is important to focus on the reverse migration that has happened across our South Asian region and the remittances that have declined in our economies it is important that BIMSTEC countries come together and we start supporting the sustainable social networks that are needed in terms of providing the constructive competition that we need and also bringing access, equity and inclusion in our production, consumption, exchange and in decision making. This process of development would require collective action and collective action depends on how we resolve the challenges that the idea of collective action addresses. The first order collective action problem comes in from the idea of free-riding. Fortunately, in BIMSTEC, we have overcome this. The second-order collective action

problem is much more challenging and this challenge emanates from the very idea of us bringing together what is called as coordination and in terms of enforcement and we bring in new functional economic and political institutions within BIMSTEC to make it a vibrant group as we have seen in ASEAN and EU. Ambassador Sam brings in profound knowledge in this platform to see how BIMSTEC can go closer on the track that ASEAN has laid out in the region. It is important for us to see how we can create institutions in this region. We hosted the academic forum for BIMSTEC and we discussed issues which are of great significance in terms of identifying the possibilities of bringing an approach which is encouraging for the holistic nature of development. I'm very glad that our colleagues from Nepal have emphasized on traditional knowledge and traditional medicine as part of our collective strategy and that is the collective good that we should strengthen which is something that is not there with European or Western groupings. The eastern part of the world is rich with biodiversity as was very rightly mentioned by Mr Regmi. We have a mountain economy and we have the blue economy. Bangladesh has provided regional leadership with blue economy and that is important for us to bring in greater strength as we are all sharing the Indian ocean and the partnership in the indo-pacific. That requires us to take it forward in terms of digitalization, reducing the transaction cost and also the domestic structural reforms that are needed and that is where the groupings like ASEAN supplement our efforts. For a vibrant Bay of Bengal community, it is not just about resources in water or in land, but it is also about people of the Bay of Bengal and the surrounding areas. It is the skill, ability, resilience and the commitment to take humanity forward that we are all linked to the sustainable development goals. With the rising ocean waters, our destinies and our shared experiences would enlighten us as we move forward and as UN decade of action takes us forward. We have several dimensions of our cooperation and several issues that are to be addressed and I'm so glad that the agenda that has evolved has addressed nuances of trade agreements, the possibilities of MRS and also the idea of MSMEs within the region and their inter-linkages to be strengthened. Before I close, I would very much like to mention the advantages across initiatives like the International Solar Alliance and the efforts on coalition of disaster resilient infrastructure that we need. Yesterday's tragedy in Uttarakhand has made clear the kind of resilient infrastructure we require and I think it is important for us to see that South Asia is coping up with climate change and associated challenges comes up with a joint strategy we move forward for resilient infrastructure and the implementation of sustainable development goals. It also requires us to address the role of new technologies, particularly artificial intelligence, the block-chain technologies, and robotics and fintech related architecture. India is going through a major revolution when it comes to fintech based payment architecture. India and ASEAN have gone ahead to reduce transaction costs of remittances. From 11 dollars for per dollar transaction, with G20 efforts, it has come down to 7 dollars and our idea is that it should come down to 2.50. Our collective efforts can also strengthen our resolve to have a vibrant Bay of Bengal community and the efforts that Bangladesh has taken recently for infrastructure and education are a road map for the rest of South Asia. I would stop here and would like to congratulate once again Dr Selim Raihan and to all our colleagues for putting together this very exhaustive agenda for the next three days.

Dr Kinlay Dorjee:

Good afternoon. Thank you very much for this kind invitation to join in during this inaugural session. It is a particular honor and I would like to thank the organizers and of course the Chief Guest, Dr Momen, the honorable Minister of foreign affairs, the Special Guest, Mr Tenzin and also the Ambassador from the royal Thai government Ministry of Foreign Affairs as well as all the other distinguished speakers. It is an honor to witness the discussions on a very rich agenda that has been set up for this particular dialogue and I note that the focus is more on trade and regional value chains. This is where definitely the value chain approach would be very beneficial for regional cooperation and I've noted that during the BIMSTEC

Summit in 2018 at the end of August in Kathmandu, there was a decision to really focus on cooperation in agriculture and allied sectors, including crops livestock and horticulture. In that respect, I would like to make a small submission for the consideration of this dialogue which is also something that I have been discussing with my counterparts in agricultural and development economics in Nepal as well as in India during my time with the food and agricultural organization in Bangkok, where I served as the regional food systems economist for two years from 2007 to 2009. At that stage we were looking at Bhutan, Bangladesh, India, and Nepal, but I think it also makes much more sense to apply to the Bay of Bengal countries. I'm very happy to share this idea to have a potato program because the potato is a very important crop for sustainability and for meeting the calorie requirements, especially in times of pandemics. So what I'm proposing basically is to have a potato program that would enable the comparative advantages of the different countries in the Bay of Bengal area to focus right from seed production to the consumption and the processing and the technology generation and also to benefit from the cooperation with the developed countries who basically have a lot of the intellectual property rights on the seed materials. I think if we were to follow this approach, as you know potatoes are mostly consumed and produced mainly by China and India if you look at it in global terms, but potatoes are such an important commodity in the modern fast food industry as well. Also, it can serve as basis for fortification and distribution to schools. From a food and nutrition security perspective, it can provide a very good vehicle for fortification and attacking a lot of the hidden hunger diseases including the deficiencies in the multivitamins and minerals. So, I think this would be one area which would be worthwhile for BIMSTEC and the Bay of Bengal countries to really look at. I am restricting the course of my comments to my area which is in agriculture and since potatoes are known to be the most calorie efficient per unit land of area and of course in both south and southeast Asia, land is becoming increasingly scarce. More importantly, compared to rice and others, it is a much more water efficient crop so we can see that, looking ahead where we will be constrained for water and land issues and climate change matters, it would be good for the Bengal initiative to really look at a cooperative program on potatoes where again through regional cooperation we can also produce regional public goods. The individual small countries like Bhutan and Nepal cannot really generate the needed technology but collectively I think we can produce the regional public goods which would have a greater impact as outlined in that summit declaration in terms of poverty alleviation and in terms of employment. As the ambassador pointed out, it would meet his suggestion of the bio agriculture circular economy and also a green economy. Thank you very much and I look forward to listening to the resolutions, conclusions and recommendations from this very interesting dialogue.

Ambassador Sumith Nakandala:

General greetings from Sri Lanka. I am just standing for my chairman Ambassador Bernard, chairman of the Pathfinder Foundation, because he was suddenly asked to for a consultation in the ministry of foreign affairs. So he is unable to be present at the moment and he sends his regrets. Pathfinder Foundation is very pleased to be partnering with the rest of the organizations here including SANEM and other sister organizations for the Bay of Bengal Economic Dialogue. As I indicated during the welcome session, the idea of having a Bay of Bengal Economic Forum or Dialogue or whatever nomenclature that you may use was a important decision that we have taken during the second meeting of the BNPTG which was held in Bangkok in 2015 because we really wanted to increase the participation of academic and research institutions and to promote people-to-people contact and to understand what kind of integration process is suitable for the Bay of Bengal region. In fact, the Bay of Bengal region was at one point of time in history one of the most important and most active region in the world economy. It had lot of exchanges and trade used to take place across the Bay of Bengal. The civilization processes have begun and ended across the Bay of Bengal. So, as a number of previous speakers said, there is an important paradigm

across the Bay of Bengal and that is what we should we should capitalize for the betterment of the mankind living in and around the Bay of Bengal. I was very happy to hear what my old good friend Sachin has very eloquently put: the importance of the Bay of Bengal and we all know that the importance is there but the question is how do we come together and collectively achieve these targets. I hear a very detailed submission made by the joint secretary from Nepal that there is an immense potential across the Bay of Bengal but how do we deepen the regional cooperation. The most important thing to consider is how practically we do this and we have been trying for last 20 years to conclude the BIMSTEC FTA, but we are not being able to achieve that. I remember that I participated in the 20th TNC meeting in Bangkok but the talks collapse so there should be some way out. If the BIMSTEC FTA is not possible, what else is possible? There had been a couple of suggestions coming out on economic integration versus policy integration. What is possible is the most important thing that we need to we need to undertake. In fact, Thailand will be taking over BIMSTEC Chair very soon after the 5th summit and we are looking forward to work with the Thai chair. Thailand has consistently maintained their deeper commitment towards the progression of BIMSTEC as a regional organization and experience that we have gained for the last so many years as an organization is important for our forward-looking mandate. I recall that during the 4th BIMSTEC summit, the leaders have called for greater involvement of organizations, research institutes, public platforms and forums like this in order to advise and provide necessary advocacy in promoting regional cooperation and then finally integration. So Pathfinder Foundation will be looking forward to partnering with SANEM and rest of the organizations and we are also looking forward to working closely with the BIMSTEC secretariat and I have spoken to the Secretary General even before he took over the position and there is no point now today to congratulate him as I have already done so. Mr Secretary General, we are very open and looking forward to work with you. Pathfinder is ready to help and assist whatever endeavors that the secretariat will be taking forward to strengthen the regional cooperation integration. I hope and trust that the next three days of deliberations within the first Bay of Bengal Economic Dialogue will be of immense assistance to the secretariat as well as member countries for making the Bay of Bengal economic integration process a reality. Thank you very much.

Mr Tenzin Lekphell:

It is indeed an honor and a great privilege for me to address this august gathering of renowned policy makers, economists, academicians, development experts and think tank members of our region. Your presence here today is a testament to the need of enhanced regional economic integration. The COVID- 19 pandemic and the challenges it brought along has made these even more crucial. The Bay of Bengal Economic Dialogue 2021 on “Post-COVID-19 Challenges in the Bay of Bengal Region” is therefore timely to exchange ideas and learn from each other on how best we can further mutual growth and progress in the region. I would like to express my sincere appreciation and gratitude to the organizers for inviting me to the inaugural session and present a brief perspective of the BIMSTEC Secretariat. BIMSTEC, the organization I represent, was established to strengthen economic and physical connectivity in the Bay of Bengal region through enhanced trade, investment, travel and exchange by leveraging geographical advantage and available resources. Although there are overlapping initiatives in the region, BIMSTEC is gaining prominence due to its unique location and its memberships of five South Asian countries and two Southeast Asian countries. Excellencies, ladies and gentlemen, we all are very much aware of the unprecedented challenges that COVID-19 has brought about in the world including the BIMSTEC region. The BIMSTEC leaders in their messages on the occasion of the 23rd BIMSTEC day, which is 6 June 2020, stressed on the need for leveraging regional cooperation through BIMSTEC mechanism to combat the adverse effects of the COVID-19 pandemic. Therefore, the BIMSTEC secretariat and the member states have stressed renewed focus to strengthen economic, physical and people-to-people connectivity within

the region. We have also prioritized our efforts to promote common actions to address vulnerabilities including poverty, terrorism and transnational crimes, energy security, food security, natural disasters, and more importantly, public health. Today I would like to mainly focus on two vital areas of BIMSTEC: trade and connectivity. BIMSTEC economic development agenda saw a major breakthrough with the signing of a framework agreement on BIMSTEC free trade area in 2004. It envisioned liberalization, promotion and facilitation of trade in goods and services, investments, as well as broader economic cooperation. However, while efforts are being made by the member states, the overall BIMSTEC FTA is still under negotiation and yet to be finalized. Nonetheless, at present, first and foremost in our endeavor is to finalize the trade in goods agreement under the BIMSTEC FTA umbrella and we are working towards getting this agreement finalized as soon as possible. We are optimistic that member states will come to our consensus and agree on trade facilitation measures, including simplification of customs procedures, introduction of electronic tracking system of cross border container movement, acceptance of electronic copies of export-import related documents and expand e-commerce. Regional trade facilitation measures, of course, will also need to be accompanied by an efficient transport connectivity to ensure easy movements of goods and people in the region. We should require more focus on the development of coastal shipping waterways and railways. Honorable delegates, much work is underway and I'm happy to inform you that BIMSTEC member states have finalized the BIMSTEC transport connectivity master plan and it hopefully will be adopted in the next ministerial meeting that is likely to take place this coming April 2021. Our member states are also on the verge of finalizing BIMSTEC coastal shipping agreement which will enhance our connectivity and economic cooperation. The early finalization of trade in goods agreement, coastal shipping agreement and implementation of the transport connectivity master plan will definitely promote greater cooperation in the BIMSTEC region. It would be a game changer for the BIMSTEC region. To conclude, I would like to register my appreciation to SANEM of Bangladesh, RIS of India, SAWTEE of Nepal, ISC of Thailand, Pathfinder Foundation of Sri Lanka, and CRBS in Bhutan for hosting this web conference and bringing together renowned scholars and think tank members of this region. My deep appreciation also goes to the distinguished panelists and participants who will be discussing over the next two days in exploring solutions to the post-COVID challenges for the Bay of Bengal region and coming up with innovative ideas to addressing these challenges. I'm certain that the outcomes of this economic dialogue will help our policy makers to take appropriate actions during the post-COVID-18 period. I wish the Bay of Bengal Economic Dialogue 2021 on "Post COVID-19 Challenges in the Bay of Bengal Region" much success. Thank you.

Dr A K Abdul Momen:

Chair of the Bay of Bengal Economic Dialogue 2021, Secretary General of BIMSTEC, Executive Tenzin Lekphell, Executive Director, Dr Selim, distinguished discussants and participants, ladies and gentlemen, I am very delighted to attend this opening ceremony of the Bay of Bengal Economic Forum 2021. I thank South Asian Network on Economic Modeling for organizing this important and relevant event on "Post COVID-19 Challenges in the Bay of Bengal Region" in collaboration with and participation of all stakeholders. I believe such a forum will not only facilitate a constructive policy dialogue among our partners in the Bengal region but also pave the way for stronger cooperation among the governments and other stakeholders through sharing of information and insights. I fully shared the observations of professor Sachin Chaturvedi of India on blue economy and Nepal's Mr Tirtha Raj on the idea of promoting our traditional homegrown practices. I specially thank and enjoyed Dr Dorjee's potato theory more so as Bangladesh has surplus production of potatoes and we would be happy to share it with others. Ambassador Nakandala of Pathfinder Foundation and BIMSTEC Secretary General, Mr Lekphell, raised few challenges and to overcome them we need regular dialogue and most importantly strong political commitment. The little countries on the Bay of Bengal are connected in

various ways through bilateral relations as well as through regional mechanisms. The region develops some very important regional forums and organizations like ASEAN, SARC and the BIMSTEC. Despite the existence of these vibrant forces, the Bay of Bengal region still have unused, untapped and unexploited potentials for economic cooperation, for the progress and prosperity of the people of this region. Some common members of ASEAN and SARC have joined the new regional mechanism called BIMSTEC, the Bay of Bengal Initiative for Multi-sectoral, Technical and Economic Cooperation to which Bangladesh is a founding member. I shall focus my discussion mainly on Bangladesh perspectives of the BIMSTEC corporation. BIMSTEC region covers 22 percent of the world population having a combined gross domestic product of 3.5 trillion dollars as per 2018 estimate. BIMSTEC provides strong platforms for cooperation in the fields of trade and investment, infrastructure and transport connectivity, agriculture and energy, culture and security, education and tourism and people-to-people contact through implementing projects, programs of action and activities by sharing member states' resources and best practices, creating synergy for the collective benefits and mutual progress and prosperity of the people of this region. Distinguished participants, the regional cooperation is one of the fundamental principles of foreign policy and then streamed in the constitution of Bangladesh is celebrating the birth centenary of the father of the nation Bangladesh, the charismatic and visionary leader, who first dreamed of achieving economic and social progress of the people of this region to working with the neighbors. Regional cooperation is also a foreign policy priority of Bangladesh government today. It was during the first tenure of Bangabandhu's able daughter, Her Excellency Sheikh Hasina, as the Prime Minister, Bangladesh joined as the founding member of BIMSTEC forum born through the Bangkok declaration in 1997. Bangladesh have since remained committed to regional cooperation through BIMSTEC movement which emerged as one of the most important regional forums in Asia. Bangladesh has been contributing towards BIMSTEC process with continued and ever increasing engagements since its inception in 1997. It has been working to advance the common visions and shared endeavors of the Bay of Bengal region. Hosting of the BIMSTEC Secretariat in Dhaka is the manifestation of Bangladesh's firm commitment to the BIMSTEC processes. As a leading country for trade, investment and development under BIMSTEC process, Bangladesh is strongly committed to enhance trade and investment cooperation in the BIMSTEC region by enabling BIMSTEC free trade area. Bangladesh is pleased to collaborate with all BIMSTEC member states to create an enabling environment for facilities, trade, investment and wide range of issues of mutual interest. A result-oriented mutually beneficial partnership under BIMSTEC can usher in collective economic and social prosperity of our people. I strongly believe that in the face of the unprecedented challenges caused by the COVID-19 pandemic, the relevance and role of BIMSTEC as a regional group of 1.5 billion people is of utmost importance. With the view to addressing the critical social and economic impacts of COVID-19, the BIMSTEC can play an instrumental and pivotal role in establishing a strong partnership and solidarity among the BIMSTEC member states. A timely and effective response to COVID-19 can enable BIMSTEC member states to limit the potentially devastating impact on its people and economies and find out suitable remedies for the pandemic. Bangladesh can leverage its partnership in BIMSTEC forums in addressing multiple challenges in the post-COVID era in a more effective and powerful manner. Various collective action programs and initiatives in relevant fields may bring utmost importance in the changed scenarios. It is important to assess the changes and impacts and formulate national as well as collective strategies to face the challenges and seize the opportunities. The COVID-19 crisis has threefold impacts: short run, median run and long term. Solutions must also be threefold: short term solutions, medium term solutions and of course long term solutions. An emerging regional organization like BIMSTEC forum is not certainly prepared to provide any redress to short-term crisis. As a matter of fact, the regional organizations are generally formed keeping in view the long-term and sustainable economic cooperation. As short-term solutions, we provided public healthcare, food and medicine and economic incentives to the people as domestic measures. In the median term approach, we are providing vaccinations as public health security measures and pursuing other economic measures. It is the long-term economic fallout of COVID-19 that requires long-term collective redress from the

governments, from industries, academia and civil society based think tanks at domestic, regional and global levels. While we at the government level are doing everything possible to address the immediacy of the crisis and managing middle term impacts, the civil society based think tanks and scholars can provide their findings through their collaborative research work as long-term redress measures. Distinguished guests, to gain from BIMSTEC processes, the organization must produce results. The expected results will emerge from more trade and investment, backed by transport connectivity in the region, leading to more employment generation for people. It is now important to make all entities of BIMSTEC process fully functional and also operational. We need to expedite the implementation of BIMSTEC free trade area. Moreover, connectivity related agreements need to be finalized soon. The sectors of cooperation in the fields of agriculture, energy, public health, technology and ICT etc needs to be bolstered. Along with traditional security, more focus should be given on emerging non-traditional security threats like COVID-19. The possibilities of BIMSTEC cooperation in the fields of public health like pandemic response, increased disease surveillance, improved public health interventions, and of course food security disaster management and poverty elevation in the post-COVID-19 period in the way of knowledge and expertise sharing, technology transfer, tourism cooperation etc should be exploited too. Last but not the least, finalizing BIMSTEC FTA and BIMSTEC transport connectivity master plan will facilitate trade and investment in the region, resolving unemployment problems. I'm happy that the member states are working positively towards those goals. Bangladesh remains committed to BIMSTEC process. You are aware that the fifth BIMSTEC summit was scheduled to be held in September 2020, but due to the COVID-19 pandemic it was postponed to a later date. I am hopeful that during the next BIMSTEC foreign ministerial meeting which is expected to be held in April this year, the final dates and other modalities of the fifth BIMSTEC summit which is scheduled to be held in Colombo, Sri Lanka, will be finalized. I firmly believe that next BIMSTEC summit will be able to revitalize BIMSTEC affairs with stronger political will and commitment from the leaders of BIMSTEC member states. Excellencies, participants and ladies and gentlemen, at the inaugural ceremony of this important forum, I want to express my firm belief that if we, the member state countries, continue to build the bridges and connect the dots under this platform, we'll be able to strengthen cooperation in all the 14 areas of cooperation of BIMSTEC. I truly believe that this two day long forum will facilitate a comprehensive series of deliberations on all relevant aspects and issues related to all the key areas of cooperation among BIMSTEC member states. I wish all the success to the Bay of Bengal Economic Forum 2021.

Summary of Organized Sessions of the Bay of Bengal Economic Forum 2021

Organized Session: Digital Connectivity and E-Commerce

With the advent of rapid digitization, a strong wave of consumer activities has been developed in the online sphere. Harnessing digital platforms through innovative strategies has been the key to survival for many businesses and economies amidst Covid-19 led ongoing mobility restrictions. In this context, the organized session on “Digital Connectivity and E-Commerce” was conducted to motivate a discussion on e-commerce initiatives and reforms undertaken by the Bay of Bengal countries. The discussion focused on exploring ways to strengthen regional partnership in digital connectivity for ensuring access to technology and overcoming barriers to digital inclusion as such cooperation has the potential to drive common growth factors in the individual countries. Despite the rapid growth in digitization, challenges remain on many fronts including lack of investment and capital, lack of development in ICT infrastructure and logistics, high costs of data connectivity, weak regulatory framework etc. One major concern for the adaptation to digital technology in least developed countries is the lack of digital literacy and knowledge, which are prerequisites for operating online. A comprehensive framework in cross-border digital trade and transactions, data flows, data privacy, online consumer protection is required to enhance regional digital connectivity.



Organized Session: Trade and Regional Value Chains

The organized session on “Trade and Regional Value Chains” focused on the importance of building value chains and facilitating trade among the Bay of Bengal countries. Participation in regional value chains can improve labor and factor productivity, which can then be leveraged for achieving greater integration in the global economy. The discussants encouraged the individual countries to increase production of more complex products that have higher and more stable demand as it is an important steppingstone towards greater participation in the global market of imports and exports. Despite the potential benefits and geographical advantages, intra-regional trade remains low mainly owing to the high cost of trade, non-tariff barriers and digital divide within the region. Due to the COVID-19 pandemic, countries have witnessed slowdown in economic growth, cancelled export orders



and disruptions in supply chains. The ongoing crisis is also likely to expedite the reversal in globalization as countries are becoming more reluctant to invest abroad and adopting stringent protectionist policies. However, the pandemic and ongoing US-China trade disputes have also created a certain degree of diversion as international corporations are

seeking to restructure, expand to new production destinations and build new production networks which can be an opportunity for this region.

Organized Session: Regional Connectivity in Bay of Bengal region

Enhanced connectivity between countries in the Bay of Bengal region can lead to improved economic growth and development through facilitating networks of trade, transport, technology, energy and people. Regional networks that ensure effective flows of goods, services, people and knowledge are essential prerequisites for economic cooperation and integration in today's interdependent world economy. In the post-COVID-19 era, importance of such regional connectivity is likely to increase as individual states will work to re-establish disrupted supply chains. Thus, the organized session on "Regional Connectivity in Bay of Bengal region" highlighted the importance of connecting all countries through utilization of existing routes to increase shared prosperity. One of the major challenges pointed out by the panel in this context is the absence of necessary logistic facilities to support physical infrastructure



connectivity. Furthermore, institutional challenges need to be addressed as there is no holistic regional agreement to facilitate movement of transport and goods among the member countries. Although some agreements are initiated among the regional organizations, they are not properly implemented due to the lack of coordination among all ministries and departments of the state. Cross-border issues, such as non-tariff barriers, also act as obstacles for trade liberalization.

Organized Session: Institutional Challenges for Post-COVID-19 Recovery

During the organized session on "Institutional Challenges for Post-COVID-19 Recovery", the panel explored the new set of institutional challenges that emerged in the Bay of Bengal region as a result of the pandemic. Owing to the nature of the pandemic which required governments to respond quickly and take drastic measures to manage the crisis, the regular functioning of the state institutions had been disrupted in several ways. Due to the



impact of the pandemic, governments are facing two major challenges including containing the virus through treatment and mass-scale vaccination programmes and addressing widespread food and livelihood insecurities. As a response to the pandemic, most countries resorted to easing their monetary policy. However, for developing countries, adoption of expansionary monetary policies was far more challenging because the institutions that underpin the

monetary channels were not well-functioning. Furthermore, some market institutions, such as informal institutions in the labor market that rely on contractual workers, collapsed during the crisis. The panel also noted that one of the major challenges for countries in the region is the lack of data collection, sharing and compilation across institutions. This makes identification of the most destitute and vulnerable sections of the population difficult and prevents them from receiving grants and stimulus packages.

Organized Session: Deepening Health Sector Cooperation in the Bay of Bengal Region

The COVID-19 pandemic has amplified systematic fragilities in the healthcare systems of low and middle-income countries like those in the Bay of Bengal region and countries within the region have been proven to be ill-prepared to tackle public health emergencies of this scale. Since these countries share geographical borders, increased cooperation is needed for containing the spread of infectious diseases such as the COVID-19. In this context, the organized session on “Deepening Health Sector Cooperation in the Bay of Bengal Region” made the case for increasing global and regional cooperation to strengthen pandemic prevention and preparedness capacities in these countries. A major cause of concern identified by the panelists is that these nations generally rank at or near the bottom in health indicators like life expectancy, child and maternal mortality, limited number of healthcare providers and facilities, etc. Moreover, as most of these countries have low tax- GDP ratios, public investment in health sectors is also quite low and out-of-pocket health expenditure is significantly high. As one of the most important building blocks of an effective healthcare system, development of human resources, including training of frontline health specialists and building capacity of community health workers, must be prioritized in the region.



Organized Session: Tackling Post-COVID-19 Challenges in the Bay of Bengal Region

High rates of poverty and inequality, prevalence of informal markets, reliance on export earnings and remittance, and lack of social protection programmes have exacerbated the crisis faced by the Bay of Bengal region amidst the ongoing pandemic. In terms of public health infrastructure development, the Bay of Bengal countries have been lagging behind the rest of the world. Across the region, gaps in capacities of countries in terms of vaccine



distribution and maintenance infrastructure have emerged as major challenges. Another major challenge that has come at the forefront during the pandemic is the number of informal migrant workers who have been rendered unemployed because of nationwide lockdowns. A further challenge that must be addressed is the over-dependence on single sectors such as tourism or textile manufacturing that makes these nations increasingly vulnerable

to external shocks. During the discussion, the panel pointed out some strategies that will prove effective in tackling post-COVID-19 challenges within the region. Firstly, the importance of supply chains being located close to the final markets has been realized as an important strategy in reducing the risk of economic disruption caused by such global crisis. Second, fiscal space expansion, underpinned by domestic resource mobilization, borrowing from domestic banking and non-banking sector and access to international finance, has the potential to play a vital role in coping with the crisis. Lastly, a pandemic of this magnitude requires coordinated efforts and one of the most important elements identified in this regard is the sharing of knowledge among countries about their respective COVID-19 management experiences.

Organized Session: Strengthening People to People Contacts

Enhancing people to people contacts within a region relies on connecting professionals and personalities from diverse areas of backgrounds and specializations such as business, tourism, arts, media, culture, healthcare and education. Promoting such interaction between people of different nations can facilitate the exchange of diverse ideas and viewpoints and strengthen social linkages among residents of a given region. Where there

is a lack of formal bilateral ties between countries, non-governmental and unofficial interaction can become an important element in supporting a mutually beneficial relationship. In this regard, a long debate that has been going on for a considerable period of time is whether people to people connectivity can help in reducing geopolitical tensions without the adequate support from governments. As noted by the panelists, various ministries and



departments within individual countries often fail to carry forward the political commitment made by leaders, causing discrepancies in national approaches to enhance connectivity among people. Furthermore, expensive and time-consuming visa procedures hinder smooth travel and interaction between people, which is required to generate a strong commercial relationship. Despite the various benefits that could be achieved, strengthening people to people contacts does not rank high in the list of national priorities, and thus, there is a lack of funding and engagement required to promote such linkages.

Summary of Paper Presentation Sessions of the Bay of Bengal Economic Forum 2021

PAPER PRESENTATION (TRADE)

Assessing participation of BIMSTEC countries in global and regional value chains

Dr Mia Mikic, Former Director, Trade, Investment and Innovation Division of the UNESCAP, Thailand

Ms Luna Ge LAI, PhD Candidate, Victoria University of Wellington, New Zealand

Authors have identified the positions of BIMSTEC countries in the distribution of value chains, particularly 'DVC-RVC-GVC' nexus. For development and recovery from the COVID-19, trade and GVCs are not the constraints. Instead, they are the core elements of the solution. This means that GVCs have to undergo some changes in a direction of diversification and this may have positive implications for BIMSTEC developing countries.

Role of intraregional trade openness on fostering SDGs in BIMSTEC countries at Post-COVID period

Ms Shamima Sharmin, Joint Director, Financial Stability Department, Bangladesh Bank, Dhaka

Dr Kazi Arif Uz Zaman, Joint Director, Financial Stability Department, Bangladesh Bank, Dhaka

BIMSTEC would benefit from trade openness in terms of per capita income and consumption. In aggregate, the whole region has a weighted average trade efficiency of 81.4 percent. Countries can unlock the untapped potential of intra-regional trade by 18.6 percent, which is equivalent to US\$ 7.5 billion per annum by removing the existing trade barriers.

Integration of small and medium enterprises in BIMSTEC regional value chain for sustainable post COVID recovery

Mr Nishant Khanal, Master's Student, Lee Kuan Yew School of Public Policy, National University of Singapore, Singapore

Mr Padam Raj Paneru, Tribhuvan University, Nepal

Though tariff is no longer the major barrier to intra-regional trade, cost and time to trade remain relatively high. There is a greater potential of value chains among the SMEs in the region, particularly with those who produce agro products and handicrafts. The analysis of the paper shows that if a country is member of both SAFTA and BIMSTEC, trade flow would increase.

Bay of Bengal Forum to accomplish regional cooperation

Dr Y. Yagama Reddy, Emeritus Professor, Centre for Southeast Asian & Pacific Studies, Sri Venkateswara University, India

Regional integration assumes the form of an association of states based upon location in a given geographical area. The prospects of state to state cooperation are enhanced by regional integration. Development of several trading ports, all along the coastline, offers the scope for a wide range of maritime activities including trade in the Bay of Bengal region.

Strategic public investment in agriculture for sustainable development in South Asia

Dr Swati Jain, Assistant Professor, Department of Economics, University of Allahabad, India

Impact of the pandemic for the agriculture sector is double sided: on the supply chain as well as the consumer demand. Why is sustainable agriculture needed? According to the United Nations World Food Programme, approximately 265 million people faced severe food insecurity by the end of 2020, an increase from 135 million people before the crisis (World Bank, May 28, 2020). In South Asia, Bangladesh and Afghanistan will be the most affected countries.

Trends and the way forward post Covid-19 in food security by the BIMSTEC nations

Ms. Swati Verma, Symbiosis International University, India

Ms Aratrika Deb, Symbiosis International University, India

Agricultural trade among BIMSTEC nations has increased in the last two decades. The agri-imports of BIMSTEC nations from India are highly dependent of the economic size of importing countries and the presence of FTA with India.

Need for cooperation in public health in BIMSTEC

Ms Banantika Datta, Indian Institute of Management Bangalore, India

There is a need for cooperation through General Agreement on Trade in Services (GATS) to mitigate disparities among the BIMSTEC member states' public sectors. Member states should come forward to make easier mobility of professionals, especially health professionals. Initiatives like facilitation of migration process, knowledge transfer and setting up of language centers are needed to remove communication barriers.

Students' perception of e-learning during the Covid-19 pandemic: A Study Based on Faculty of Arts, University of Peradeniya Sri Lanka

Ms R.M.M. Mayoshi, Transilvania University of Brasov, Romania

Professor A.S.P. Abhayaratne, Department of Economics and Statistics, Faculty of Arts, University of Peradeniya, Sri Lanka

Cost of e-learning during the pandemic has resulted in mixed experiences among respondents. Many think e-learning is cost saving and highly accessible. However, those who cannot afford proper means to take part in online classes think that e-learning create and widen the gap among students along financial capabilities. In order to increase the participation in e-learning among university students, introduction of better internet connection plans, distribution of devices and data plans with scaled down costs are required.

Impact of COVID-19 on education sector: Bangladesh perspective

Ms Sonamoni Karmaker, Institute of Chartered Accountants of Bangladesh (ICAB), Dhaka

Ms Najeefa Kabir, Student, Institute of Chartered Accountants of Bangladesh (ICAB), Dhaka

Almost 100 percent of the students who participated in the survey said that the educational experience during the pandemic was not satisfactory as the normal pace of their study was hampered. Most of the students have reported mental instability, anxiety and sense of uncertainty during the lockdown. Among the students, 75 percent said that auto-pass will be unfavorable to their career, whereas 40 percent of those who qualified through auto-pass, see some silver lining, while rest are not so optimistic about the issue. Graduates who were seeking to avail jobs after graduation, due to year-long hiatus, enrolled in post-graduation studies to subsidize the delay.

Effects of COVID-19 on the rural non-farm self-employed in India: does skill make a difference?

Dr Indrajit Bairagya, Assistant Professor, Centre for Human Resource Development, Institute for Social and Economic Change, Bangalore, India

The COVID-19 Pandemic unleashed the demand- and supply- side shocks, unlike other crises which are based on finance or capital. This was incredibly painful because of the massive share of informal workers in India (about 93 percent), who are not protected by any proper social security. Findings of the study show that the skilled self-employed individuals faced a lower decline in their earnings than the unskilled self-employed persons due to the COVID-19 Pandemic. The individuals who received formal training were more aware of the methods to overcome crises, compared to the informally trained individuals.

Prospects and challenges of skilling amidst the outbreak of Covid-19 pandemic: A case of Indian labor market

Dr Mitali Gupta, Assistant Professor (Economics), Institute for Studies in Industrial Development (ISID), New Delhi, India

Dr Manik Kumar, Policy Analyst, Centre for Budget and Governance Accountability (CBGA), India

Indian labor market is largely characterized by an excess supply of low and middle skilled workers, while the demand for such type of workers has not grown in proportion to their supply. India's skill mismatch problem is still more quantitative as compared to qualitative in nature in the pre-Covid-19 period, and this situation is expected to be worsening in the ongoing and post-Covid-19 period.

Covid-19 and its impact on the sectoral employment in India

Dr Akhilesh K. Sharma, Assistant Professor, Institute for Studies in Industrial Development, India

Dr Sushil K. Rai, Associate Professor, University of Petroleum and Energy Studies, India

In the early April of 2020, India's import and export, which had already started declining at the beginning of March, reached bottom notch. But, after that nadir point in April, import and export both started rising, where export increased at a greater pace than import. Decrease in demand or export resulted in lower demand for informal workers. Thus, unemployment in informal sector has seen sudden uptick due to lockdown related knock-on effect.

Trends in the inflow of foreign direct investment in India

Ms Aratrika Deb, Student, Symbiosis International University, India

Ms Swati Verma, Student, Symbiosis International University, India

Two most important determinants that influence the inflow of the foreign direct investment in India are the Gross Capital Formation and the Labor Force Participation Rate. Recently announced 'Atmanirbhar Bharat' schemes have been designed with the objective of creating scale and size, to strengthen its position as a more credible alternative to China as far as FDI and other cross-border trade goes so that GDP and other growth indicators may thrive.

Determinants of current account performance of selected South Asian economies: An application of PMG-ARDL model

Dr Hrushikesh Mallick, Associate Professor, Centre for Development Studies (CDS), India

Exchange rate policies on an average are helping Asian emerging economies. However, given their high import dependency or inelasticity in imports of oil and other basic raw materials from other countries, trade liberalization is augmenting the CAD, instead of reducing it. FDI inflows and gross combined fiscal deficits of these economies do not exert significant influence on their CADs.

Recreational and conservation valuation of Sundarbans mangrove forest in Bangladesh: Approach of contingent valuation

Dr Md. Hafiz Iqbal, Assistant Professor of Economics, Government Edward College, Pabna, Bangladesh

Dr Md. Elias Hossain, Professor, Department of Economics, University of Rajshahi, Bangladesh

A large number of surveyed respondents have expressed their deep interests to pay for further preservation of this forest through the provision of ecotourism, REDD+, and biodiversity conservation corridors. SED characteristics along with other characteristics such as the distance of respondents' residence and travel cost are found to be important contributors to WTP.

Gallery of Paper Presentation

PAPER PRESENTATION (TRADE)

Bay of Bengal Economic Dialogue 2021

Post-COVID-19 Challenges in the Bay of Bengal Region

PAPER PRESENTATION SESSION: TRADE

The screenshot shows a video conference with five participants. At the top, a banner reads "Bay of Bengal Economic Dialogue 2021" and "Post-COVID-19 Challenges in the Bay of Bengal Region". Below this, it specifies "PAPER PRESENTATION SESSION: TRADE". The participants are arranged in two rows: two in the top row and three in the bottom row. The bottom-left participant has an "ARTNeT" logo. At the bottom of the slide, logos for SANEM, AIC, sawtee, pathfinder, and Chula are displayed.

PAPER PRESENTATION (REGIONAL COOPERATION)

Bay of Bengal Economic Dialogue 2021

Post-COVID-19 Challenges in the Bay of Bengal Region

PAPER PRESENTATION SESSION: REGIONAL COOPERATION

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PAPER PRESENTATION (HEALTH AND EDUCATION)

Bay of Bengal Economic Dialogue 2021

Post-COVID-19 Challenges in the Bay of Bengal Region

PAPER PRESENTATION SESSION: HEALTH AND EDUCATION

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PAPER PRESENTATION (EMPLOYMENT CHALLENGES)

Bay of Bengal Economic Dialogue 2021

Post-COVID-19 Challenges in the Bay of Bengal Region

PAPER PRESENTATION SESSION: EMPLOYMENT CHALLENGES

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PAPER PRESENTATION (CROSS-CUTTING ISSUES)

Bay of Bengal Economic Dialogue 2021

Post-COVID-19 Challenges in the Bay of Bengal Region

PAPER PRESENTATION SESSION: CROSS-CUTTING ISSUES

The screenshot shows a virtual meeting interface with five participants in a grid layout. At the bottom, there are logos for SANEM, AIC, sawtee, pathfinder, and Chula.

SANEM | **AIC** | **sawtee** | **pathfinder** | **Chula**

Recommendations:

Digital Connectivity and E-Commerce

- Development of an effective e-commerce ecosystem that empowers small and medium enterprises to compete with large firms
- Strengthening the capacity of individual enterprises to participate in e-commerce through effective policies.
- Incorporation of the use of digital tools and skills in public education institutions.
- Digital transformation in the public sectors to improve efficiency and transparency in the provision of government services.
- Coherence in digital strategies, policies, standards, principles, rules and regulations among countries in the Bay of Bengal region for enhanced digital integration.

Trade and Regional Value Chains

- Cooperation among national transportation systems in roads, railways, maritime and air to enable the seamless movement of goods and services across borders.
- Diversification of export baskets and higher investment in green production for greater resilience in the post-COVID world.
- Projects and programs on modernizing and harmonizing customs operations to improve border facilities.
- Identifying new policy incentives and strengthening the regulatory framework to promote industrial development is as crucial as developing the physical infrastructure.
- Establishing investment frameworks and developing a business environment that is conducive to foreign investment.

Regional Connectivity in Bay of Bengal region

- Triangulation of investment, trade and transport connectivity policies to transform transport corridors into economic corridors.
- Coordination of policies among the Bay of Bengal countries at the borders such as single window, customs clearance, harmonization, standardization, mutual recognition agreement, inter-operability of the systems etc.
- Connecting inland waterways system with maritime ports to build a lively and integrated maritime space.
- Implementation of regional air transportation agreement in cargo and passenger services to promote faster mobility of goods and services in sectors like tourism, health and education.
- Involvement of the private sector for generating the flow of investment and goods.

Institutional Challenges for Post-COVID Recovery

- Enhancing state capacity to build capable, flexible and responsive civil service.
- Making technology affordable and accessible for all institutions.
- Ensuring a strong public healthcare system with adequate resources and designing a comprehensive system of universal health coverage.
- Regular collection of data to identify and target vulnerable groups in times of crisis.
- Institution-level collaborations across healthcare and drug authorities to enhance regional cooperation.
- Ability of the governments to communicate effectively with the public and maintain trust is needed to ensure public compliance and cooperation.

Deepening Health Sector Cooperation in the Bay of Bengal Region

- Provision of common health insurance and allowing insurance companies to operate across borders to enable patients to get access to healthcare and specialized treatment in any of the member countries.
- Cooperation in pharmaceutical research and development and harmonization of regulatory approval processes to make drug development more cost-effective.
- Development of regional value chains in medical supplies and products to reduce dependence on imports of medical equipment.
- Establishing a disease surveillance network for the Bay of Bengal region to reduce morbidity related to outbreak-prone diseases.
- Regulation of pharmaceutical industries through effective policies to make health care affordable and accessible for all.

Tackling Post-COVID Challenges in the Bay of Bengal Region

- Just-in-time supply chains and regionalization of international trade are essential.
- Individual economies in the region need to collaborate to create a sufficiently large market that has stable demand for regional goods.
- Vaccine cooperation and vaccine multilateralism are key to strengthen regional ties
- State of art logistic facilities backed up by administrations and institutions which contribute to ensure that vaccines do not get stalled at borders.
- Development of data governance frameworks to aid in sharing health data and information across borders.

Strengthening People to People Contacts

- Promoting regional tourism through easing travel regulations can prove to be beneficial in the short-run for countries which have been witnessing a declining number of foreign tourists.
- Educational cooperation within think-tanks and universities to forge links among the youth and young intellectuals through special regional scholarships and study exchange programs.
- Supporting telemedicine and medical tourism to allow patients to benefit from specialized healthcare available elsewhere in the region.
- Using the digital media and technology as a tool to connect people from diverse backgrounds virtually.
- The state must play a significant role to facilitate interactions among people from diverse backgrounds.

BAY OF BENGAL ECONOMIC DIALOGUE 2021

Post-COVID 19 Challenges in the Bay of Bengal Region

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