

Editor's Desk

The April 2022 issue of *Thinking Aloud* focuses on "Rejuvenating BIMSTEC in a New Era". The first page article titled "Rejuvenating BIMSTEC in a New Era" emphasises the necessity of fresh thinking on BIMSTEC's priorities and developing the required institutional capability for the new era. Though the progress in regional integration in the BIMSTEC, even after the 25 years of BIMSTEC, has remained slow, the successful implementation of the agreements of the 5th Summit can pave the way for the hugely aspired greater integration in the BIMSTEC region. The second and third pages of this issue feature the sessions of the Second Bay of Bengal Economic Dialogue 2022, which was hosted virtually, on 11-12 March 2022. Convened on the theme of "Building Resilient BIMSTEC", in continuation of the spirit of the First Bay of Bengal Economic Dialogue 2021, the second dialogue brought together academicians, development experts and policymakers of the Bay of Bengal region on a common platform for scholarly exchange. The dialogue was organised by SANEM, in collaboration with 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, Sri Lanka and Centre for Research on Bhutanese Society (CRBS), Bhutan. The dialogue hosted three organised sessions, one special session and one keynote session. In the inaugural session, the speakers emphasised on the need for bolstering multipartite collaboration in the region. In the Keynote Session, the historical context of the BIMSTEC framework and its potential was explored. During the special session on "Post-COVID Challenges and Opportunities", the magnitude of COVID-induced economic impact on the regional economies was underscored. The organised session on "Infrastructure Connectivity in Bay of Bengal Region" reflected on the prospects of cross-border trade infrastructure. The organised session on "People to People Contacts" focused on the need to build strong social and cultural ties across the region. The third organised session on the theme of "Trade and Investment", extrapolated the dominant tendency of trade and investment in the region. Committing to the continuation of the dialogue, a summary of the discussions held was read out in the closing session, showcased on the fourth page of this issue.

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Synopsis of the Sessions of Second Bay of Bengal Economic Dialogue 2022

Summary of Second Bay of Bengal Economic Dialogue 2022

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Rejuvenating BIMSTEC in a New Era

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Achyut Bhandari, and Watcharas Leelawath

The 5th BIMSTEC Summit ended on 30th March 2022 in Colombo, Sri Lanka. The Summit adopted the BIMSTEC Charter for the first time, since its inception in 1997, and signed three Memorandum of Understanding (MoUs) on the BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters, Mutual Cooperation Between Diplomatic Academics/Training Institutions of the BIMSTEC Member States, and Establishment of BIMSTEC Technology Transfer Facility in Colombo, Sri Lanka. According to the newly adopted BIMSTEC Charter, the Summit will take place every after two years and the Meeting of the Foreign Ministers of the BIMSTEC Member States will take place each year.

Though the progress in regional integration in the BIMSTEC, even after the 25 years of BIMSTEC, has remained slow, the successful implementation of the agreements of the 5th Summit can pave the way for the hugely aspired greater integration in the BIMSTEC region.

BIMSTEC provides a unique opportunity for its members from South Asia and Southeast Asia to collaborate for mutual benefit. By global standards, BIMSTEC, which was founded in 1997, is a relatively new regional organization. Its seven members come from a variety of geographical, historical, cultural, and developmental backgrounds. BIMSTEC members account for around 22% of the world's population and 4% of world GDP, demonstrating its considerable potential. Its members have proceeded gradually and carefully to build the institution and foster regional cooperation in a step-by-step manner. In 2014, for example, a permanent secretariat was formed in Dhaka, led by a secretary-general and staffed by seven country directors appointed by the members. Several key areas for collaboration were identified, and recently consolidated into seven major themes, and some BIMSTEC centres were set up on priority subjects for the region.

The COVID-19 pandemic, followed by the Russia-Ukraine conflict, has drastically altered the global economy's recovery prospects. The global economy is about to enter a new, more uncertain period marked by increased geopolitical, economic, and pandemic threats. Many countries in South and Southeast Asia, particularly small countries, are extremely vulnerable to these threats, and face a bleak future of slower growth, limited market opportunities, rising inflation, and increased poverty.

South Asia looking east and Southeast Asia looking west offers a pathway to mitigate multiple risks and exploit opportunities for trade-led growth in Asia, a potential that remains largely untapped. International experience suggests that effective regional governance is necessary for economic development and achieving a peace dividend.

More has to be done, however, to build on these achievements and position BIMSTEC as an effective organisation tuned to the needs of the new and emerging more uncertain era. For a start, there is the long-standing unfinished agenda item of concluding a BIMSTEC Free Trade Area (FTA) which has been under negotiation since 2004. A comprehensive BIMSTEC FTA can help to reduce barriers to trade and investment and assist business to join global supply chains. At the 5th Summit, all the heads of the BIMSTEC Governments/States expressed a strong desire to conclude the BIMSTEC FTA negotiation. Therefore, we must bring the BIMSTEC FTA to a successful conclusion within a reasonable timetable.

The region displays significant complementarity between the members which bodes well for mutually beneficial trade. The foundation of BIMSTEC's economic growth has been the rules-based open multilateral trading system. Along with it, the FDI must move freely in the region if we want to promote national growth as well as the regional and global value chains.

The 5th Summit also highlighted the importance of energy connectivity, transport connectivity, digital connectivity, and people to people connectivity.

Seamless sustainable multi-modal transport links and synergy with other connectivity frameworks like the ASEAN Master Plan on Connectivity 2025 are what the BIMSTEC needs in the post-COVID era. Improving trade facilitation can also speed up the BIMSTEC integration process. Accordingly, moving to a regional single window in customs and a paperless trade regime can help to reduce trade costs and facilitate cross-border business.

Furthermore, significant work is needed to prepare BIMSTEC members to embrace the potential of the fast-moving digital economy. This means investment in digital technologies and related infrastructure, a business-friendly regulatory approach to e-commerce and investing in digital skills. Promoting greater gender equality in education and the workplace means for women to have the same opportunities, and are paid the same as men for equal work. It will foster jobs, income and entrepreneurship across BIMSTEC countries.

BIMSTEC countries not only differ in their size, geography, population, resource endowment and level of development, they also vary in financial resources, technical skills and development capacity. Most of the members face such constraints that may be further exacerbated for those who are slated to graduate from the group of least developed countries by 2026. In the spirit of solidarity and common purpose, the more advanced members must support the less developed ones so that the benefits of regional integration are spread among all the members.

Fulfilling the economic promise of the BIMSTEC charter and the proposed development agenda under the 'new normal' may not be achieved without empowering BIMSTEC Secretariat. The Secretariat needs to be adequately resourced and has sufficient delegated powers to fulfil its role as a coordinator of activities across BIMSTEC members. It is very encouraging that Indian Prime Minister Narendra Modi announced during the 5th Summit that India would provide US\$ 1 million to BIMSTEC Secretariat to increase its operational budget. With the increased resources, there is now a need to develop a roadmap for the capacity building of the BIMSTEC Secretariat. Finally, efforts to overhaul the integration process in the BIMSTEC region require normative dialogues about the desirable and substantive form of regional architecture in this region. The time is ripe for fresh thinking on BIMSTEC's priorities and developing the required institutional capability for the new era. The success of the regional integration initiative in the BIMSTEC region will be guided by the strong 'political will' in the BIMSTEC countries to carry the integration agenda forward. The 5th Summit creates the optimism that such 'political will' will finally be translated into a reality.

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Second Bay of Bengal Economic Dialogue 2022: 10-11 March 2022

Inaugural Session

The “Second Bay of Bengal Economic Dialogue 2022” was hosted virtually on the theme of “Building Resilient BIMSTEC” on 11-12 March 2022. The Inaugural Session of the dialogue was held on 11

March 2022 from 3:00 PM to 4:30 PM. The Chief Guest of the Inaugural Session was H.E. Mr Shahriar Alam, State Minister of Foreign Affairs, Government of the People’s Republic of Bangladesh. As the special guest, H.E. Mr Tenzin Lekphell, Secretary-General of BIMSTEC graced the session by sharing his message virtually. The session was moderated by Dr Selim Raihan, Professor, Department of Economics, University of Dhaka and Executive Director, SANEM, Bangladesh. In the inaugural session, remarks were delivered by Mr Ghanshyam Bhandari, Joint Secretary and Head, Regional Organization Division, Ministry of Foreign Affairs, Government of Nepal, Ambassador Sumith Nakandala, Senior Director, Bandaranaike Centre for International Studies and Former Secretary-General of BIMSTEC, and Mrs Chulamane Chartswan, Deputy Permanent Secretary, Ministry of Foreign Affairs of Thailand.

Welcoming everyone in his opening remark, Dr Raihan contextualised the present global socio-economic challenges, and the importance of regional economic integration and collaboration among the countries, specifically in the Bay of Bengal region. In his special remark, Ambassador Sumith Nakandala shed light on the historical context for regional integration while summarising the journey toward integration of BIMSTEC nations. Mr Bhandari stressed during his remarks that there could have been no better time to deliberate on the theme of building a resilient BIMSTEC, especially in the context of rising inequalities, poverty, debt, diminishing resources for recovery coupled with persistent supply chain bottlenecks and inflationary pressures. Mrs Chulamane Chartswan stressed on the necessity to intensify efforts to build resilience collectively to utilise the potential of the Bay of Bengal region, and the importance of connectivity, predictability and preparedness in terms of coping with shocks such as the pandemic.

While delivering his remarks as the Special Guest, H.E. Mr Tenzin Lekphell explained the relevance of the theme along with the topics selected for the dialogue, such as connectivity, trade and investment and people to people contact, which are some of the most pertinent areas of BIMSTEC cooperation. He further discussed the extensive measures taken by the governments of BIMSTEC Member States to support the nations in response to the pandemic.

The Chief Guest of the Inaugural Session, H.E. Mr Shahriar Alam reiterated the political commitment of the Bangladesh government and expressed optimism for regional cooperation in the Bay of Bengal region, given the changing global scenarios and the emerging challenges. He further encouraged the academia to research ways to overcome barriers towards regional cooperation.

Keynote Session

The keynote speech was delivered by Dr Bibek Debroy, Chairman, Prime Minister Economic Advisory Council, India and chaired by Ambassador Sumith Nakandala, Senior Director,

Bandaranaike Centre for International Studies, Colombo and Former Secretary-General of BIMSTEC.

Historically, before the advent of western colonial powers in the Bay of Bengal region, it was economically integrated, proof of which lies in the intricate web of trade routes along the coastline of this region. In essence with the regional integration that already existed, BIMSTEC, has moved forward fourteen specific areas of cooperation, apart from trade and investment. Though the member countries are unified because of historical as well as cultural legacies, apart from the commonalities, the countries are fairly diverse, for instance, in terms of population, GDP, per capita income etc. The characterising criterion of this entire region is its relative poverty compared to other regions. Being relatively poor can be translated to the fact that the priorities can often be diverse, and different from that of the developed and rich regions.

This region, however, two thousand years ago, was as developed and rich, as the so-called developed and rich regions. One of the pertinent reasons for such divergence in the outcome can be traced back to the collapse of trade and economic integration of the region, which can be further described as the cross-border movement of factors of production, including labour, capital etc. along with the free flow of knowledge and innovation.

As the world recovers from the pandemic and moves towards additional geopolitical tension, with the plateauing growth in the west, the growth of the world has to be inevitably generated from Asia, including the Bay of Bengal region. While taking into account the fact that the global agendas are set by the Bretton Woods institutions, the BIMSTEC nations, not only as a forum but also as individual countries, have to ask themselves, what role do they want to play in setting and executing the global agenda.

Furthermore, the nations have to also decide whether they want to be confined within the narrow lens of trade liberalisation while discussing the regional integration process, which is necessary, but not the sufficient condition for the kind of integration that BIMSTEC can achieve. For instance, regional trade agreements, be it through WTO or other organizations, are easier to handle, yet exogenously imposed. However, without simultaneously undertaken endogenous reforms, in areas including but not limited to, land market, labour market, and productivity, the exogenous reforms will not be able to achieve the level of regional integration envisioned. Finally, the exchange of information, ideas, knowledge, and nourishing the common legacy, history and cultural heritage will take the regional integration process in the Bay of Bengal region forward.

Special Session: Post-COVID Challenges and Opportunities

The special session on “Post-COVID Challenges and Opportunities” was held on 11 March 2022, the first day of the Second Bay of Bengal Economic Dialogue 2022 and was chaired by Dr Sanjay

Kathuria, Senior Visiting Fellow, Centre for Policy Research (CPR), India. The special address was delivered by Dr Rupa Chanda, Director, Trade, Investment and Innovation Division, UNESCAP, Thailand. The panel included Dr Ahsan H. Mansur, Executive Director, Policy Research Institute of Bangladesh (PRI), Bangladesh; Dr Sabyasachi Kar, Professor, RBI Chair, Institute of Economic Growth, Delhi University Enclave, India; and Dr Ganesh Wignaraja, Senior Fellow, Institute of South Asian Studies, National University of Singapore.

Against the backdrop of the post COVID challenges raising fundamental questions regarding global economic architecture, the panelist from the session discussed the challenges and opportunities presented by the pandemic. The pandemic has exposed pre-existing vulnerabilities, for instance, existing inadequacies in regional networks to supply the necessary healthcare goods and services, and achieving balanced development in production and research capacity of healthcare services, and the heightened digital divide. COVID-19 has really underscored the importance of cooperation in all spheres and at all levels. However, as the panellists pointed out, the challenges exacerbated by the pandemic can be recalibrated as opportunities to build the economy and society in a better shape, which would be resilient, inclusive, and cooperative. The pandemic has further highlighted the impact of regional and global cooperation in response to shocks raising questions about existing paradigms of production, trade, investment, technology transfer, the interdependence of countries in terms of logistics and supply chains, trade investment flows, technology sharing, value chain linkages and mobility.

The glaring gaps among healthcare systems’ capacity in terms of vaccine distribution, infrastructure, manpower, and access to health products and services and trade policy and trade facilitation measures, have made evident the importance of regional trade and investment. The pandemic has also highlighted the need for investment in digital infrastructure and literacy for improving data connectivity, putting in place stronger regulatory frameworks for the digital economy and the importance of digital trade, facilitation and integration. Furthermore, addressing issues of digital skilling, digital infrastructure investment, regulatory frameworks for data sharing and transfers and linking players to the market through digital integration as well as achieving coherence and digital strategies, policies and standards among the countries of Bay of Bengal region are vital as well. Going forward, BIMSTEC countries can benefit from experience sharing in terms of their handling of the pandemic, and lessons learned.

Second Bay of Bengal Economic Dialogue 2022: 10-11 March 2022

Organised Session 1: Infrastructure Connectivity in the Bay of Bengal Region

The first organised session on “Infrastructure Connectivity in Bay of Bengal Region” was held on 12 March 2022, the second day of the Second Bay of Bengal Economic Dialogue 2022 from

10:30 AM to 12:00 PM (BST). The session was chaired by Dr Nihal Pitigala, Lead Economist, Washington Business Dynamics and InReach Global. The panel included Dr Selim Raihan, Professor, Department of Economics, University of Dhaka and Executive Director, SANEM, Bangladesh; Dr Prabir De, Professor, ASEAN-India Centre (AIC), Research and Information System for Developing Countries (RIS), India; Dr Ganeshan Wignaraja, Senior Fellow, Institute of South Asian Studies, National University of Singapore; Dr Paras Kharel, Research Director, South Asia Watch on Trade, Economics, and Environment (SAWTEE), Nepal.

During the discussion, the status of infrastructure, in terms of physical, social, and digital infrastructure in the Bay of Bengal region and the infrastructure gap that continues to persist among member countries as well as among various regions were reviewed. Although the estimated infrastructure gap, as mentioned by the panellists, does not adequately capture the dynamic necessities in terms of infrastructure in this region, given the presence of an appropriate financing mechanism in the region, it is achievable.

The panellists stressed the necessity of synergies between the development efforts of the member countries, the absence of which creates a disconnect resulting in failure to reduce the trade and investment cost. Furthermore, in the case of soft infrastructure, there are some low hanging fruits such as, training and capacity building programs, interoperability aspects of soft infrastructure such as paperless trade etc., and, motor vehicle agreements. Issues of cyber-security and consumer protection in the online sphere were discussed at length in the session. Investing in megaprojects as part of investment in physical infrastructure often eludes the overall picture of the economy, where SMEs do not benefit from the development efforts as much as the large firms. Moreover, the panellists reiterated the necessity of political will among the member countries of BIMSTEC to realise the regional linkage, harmonization of policies in terms of deepened infrastructural connectivity.

The panel discussion summarized that, a regional infrastructural framework for maintaining coherence in principles, policies, strategies and regulations is essential in realizing the potential of the Bay of Bengal region. As the prime body for multilateral partnership in the region, the BIMSTEC body can bring together the stakeholders of the region and facilitate connectivity projects in the areas of trade and infrastructure. The distinguished panellists proposed increased public diplomacy and mass-media engagement on the part of the BIMSTEC.

Organised Session 2: People to People Contacts

On 12 March 2022, the second organised session was conducted on “People to People Contacts” to discuss the necessity for inter-regional trade within the Bay of Bengal region as a means to boost

demand and growth post the pandemic. The session was chaired by Ambassador Shahidul Haque, Professorial Fellow, NSU, Bangladesh and Former Foreign Secretary of Bangladesh. Dr Amena Mohsin, Professor, Department of International Relations, University of Dhaka; Mr Sabyasachi Dutta, Executive Director, Asian Confluence, India; Dr Jirayudh Sinthuphan, Assistant Professor, Institute of Asian Studies, Chulalongkorn University, Thailand; Dr Anuji Gamage, Senior Lecturer in Community Medicine, General Sir John Kotelawala Defence University, Sri Lanka; Mr Thuta Aung, Executive Chairman, The Mandalay Forum for East Asian Studies, Myanmar shared their insights during the panel discussion.

The “people to people contact” issues in the BIMSTEC region requires an in-depth understanding of the sub-group of people it is working on, as “people” is not homogeneous. The session realises the need for a strong flow of cultural and social exchange across the border. With a rich history of shared culture and social values in the region, people to people contacts has the potential to progress at a greater velocity and in the process mobilize a cross-border civil society. Connecting institutions throughout the region can provide the common space for curating networks, connecting culture, and connecting people through the borders, which will bring the intended result regarding people to people contact. The panellists discussed the importance of dialogues and conferences such as this one to increase the exchange of ideas, values, and interaction among academics, and students and other subgroups of population from this region. BIMSTEC may connect with the organisations working in various areas in member countries to initiate the flow of ideas, the interaction of people, and celebrate the common heritage and culture. Strengthened social and cultural ties among the peoples of the region are essential for a bottom-up approach towards regional integration and can have a considerable impact on the political processes facilitating multi-partite collaboration.

Both formal and informal networks of academia, businesses and administrations can greatly benefit from an increased level of people to people contact. Moreover, youth connectivity across borders has the potential to provide new impetus to the whole process. The role of media in building effective relationships across cultures and weaving people’s networks across borders was highlighted in the discussion. Undeniably, people to people contact can strengthen the spirit of regional cooperation and in the process encourage policymakers to pursue state-level actions in undertaking cooperation initiatives that would benefit the countries in the Bay of Bengal region.

Organised Session 3: Trade and Investment

The organised session on “Trade and Investment”, chaired by Dr Posh Raj Pandey, Chairman, South Asia Watch on Trade, Economics and Environment (SAWTEE), was held on 12 March 2022,

the second day of the Second Bay of Bengal Economic Dialogue 2022 from 03:00 PM to 4:30 PM (BST). Professor Mustafizur Rahman, Distinguished Fellow, Centre for Policy Dialogue (CPD), delivered his insights during the panel discussion. The distinguished panel included Dr Rajan Sudesh Ratna, Deputy Head, UNESCAP, South and South-West Asia Office, New Delhi, India; Dr Nisha Taneja, Professor, Indian Council for Research on International Economic Relations (ICRIER), India; Dr Chandra Shekhar Dhakal, Senior Lecturer, Royal Thimphu College, Royal University of Bhutan; Mr Wimon Punkong, Director, Office of Research, Development and Promotions, International Institute for Trade and Development, Thailand; Ms Subhashini Abeyasinghe, Director of Research, Verité Research, Sri Lanka.

Against the backdrop of the cobweb of bilateral FTAs in the Bay of Bengal region, graduation of member LDC countries and member countries trying to avoid the middle-income trap, climate change, global geo-political issues foreshadowing stagflation, issues regarding “trade and investment” were discussed in detail during the panel discussion. The panellists pointed out, despite the prospect of BIMSTEC as a region, the progress made so far in trade and investment is hardly tangible. Furthermore, in the context of the WTO negotiations, BIMSTEC can play a vital role to coordinate the member countries’ interests in the relevant areas.

Besides, as the panellists conferred, BIMSTEC should be more farsighted and consider supply chain issues, the gender dimension of trade, and logistics and connectivity issues. BIMSTEC has the potential to be the key to multipartite dialogue for the removal of tariff and non-tariff restrictions and promotion of regional investment and trade nexus. From the member countries’ perspective, regional integration should be the focus of a sustainable LDC graduation strategy. In order to achieve the envisioned objective, set by the BIMSTEC countries in terms of trade and investment, international best practices and the experiences of East Asian countries will have to be incorporated. BIMSTEC should invest in elaborate testing facilities and efficient cargo handling processes at border facilities, E-commerce and digital infrastructure, and an improved and enabling business environment in member countries. Notably, with the growing wave of digital infrastructures in all the countries in the region, there has now emerged a new scope for cross-border connectivity. The session summarized that, this new scope has the potential to address fundamental issues underlying the integration process and impact the initiatives for integration in the global and regional value chains.

Second Bay of Bengal Economic Dialogue 2022: 10-11 March 2022

Closing Session

The Closing Session of the dialogue was held on 12 March 2022. In the closing session, remarks were delivered by Ambassador Sumith Nakandala, Senior Director, Bandaranaike Centre for International Studies and Former Secretary-General of BIMSTEC; Ambassador Bernard Goonetilleke, Chairman, Pathfinder Foundation, Sri Lanka; Dr Selim Raihan, Professor, Department of Economics, University of Dhaka and Executive Director, SANEM, Bangladesh; Dr Prabir De, Professor, ASEAN-India Centre (AIC), Research and Information System for Developing Countries (RIS), India; Dr Poshraj Pandey, Chairman, South Asia Watch on Trade, Economics and Environment (SAWTEE), Nepal; and Dr Surat Horachaikul, Director, Indian Studies Center, Chulalongkorn University, Thailand.

In his concluding remarks, praising the completion of charter, Ambassador Sumith Nakandala discussed in detail the history of BIMSTEC itself along with the future challenges and pathways towards mitigating those challenges. Ambassador Goonetilleke remarked that BIMSTEC's resilience lies within the Bay of Bengal, the region that has been providing sustenance for almost a quarter of the world population, and has the potential to provide more, if there is political will to achieve the regional integration process. Dr De thanked the relevant stakeholders and remarked optimistically that the themes discussed in various panels during the dialogue will be reiterated during the BIMSTEC summit, given their importance in mitigating the challenges faced by the region. He further underscored that BIMSTEC is the natural progression of South Asia, connecting South East and East Asia. Dr Pandey urged that the BIMSTEC secretariat's role should be strengthened, as the organization lacks in financial and human resources. He also urged the organisation to come forward with a strong research wing as well as a collaborative process to ensure that the member countries can tackle the global and regional challenges, such as the pandemic. Dr Horachaikul observed that, being a twenty-five years old organization, BIMSTEC has to reassess its pathway and explore new ways to achieve its potential. In conclusion, the speakers stated that as a multi-partite platform, the dialogue embodies the spirit of cooperation. The speakers expressed their hope that this forum will continue to facilitate vital exercises aiding policymakers and stakeholders in materializing the shared vision of regional integration in the Bay of Bengal region.

Summary of the Second Bay of Bengal Economic Dialogue 2022

The theme of the second Bay of Bengal Economic Dialogue 2022, "Building Resilient BIMSTEC," brought together leading economists, scholars, academics, development experts, and policymakers from across the region for an in-depth intellectual exchange on how to connect people, businesses and governments so that Bay of Bengal countries reach their full economic and social potential. The ongoing novel coronavirus (COVID-19) pandemic and the on-going war between Ukraine and Russia pose an unprecedented challenge to global markets with significant transmission effects on Bay of Bengal countries. Maintaining the status quo and expecting prosperity is no longer an option in a world where countries are increasingly seeking regional solutions to insulate from and recover from the crisis.

The second Bay of Bengal Economic Dialogue explored expedient channels and mechanisms and pre-requisites of regional cooperation in the areas of trade, investment, infrastructure, connectivity, and social and cultural harmonization. Public diplomacy and mass-media engagement has become core to the dialogue so that the

highlights and findings are disseminated to build awareness of Bay of Bengal region's benefits to society. The Dialogue reached the following conclusions and take-away.

1. Business and people react to incentives and barriers, which have a profound effect on their decision-making. With trade barriers, consumers are deprived of opportunities to meet the shortfall in supplies that can be met by regional members and firms are deprived of exporting its surpluses to meet such demand. The economic prognosis is clear and profound. These commercial transactions have significant societal benefits. First, BIMSTEC should initiate an immediate dialogue for removal of tariff and non-tariff restrictions on the flow of goods and service.
2. Regional cooperation and political commitment to openness for investment will be critical to helping economies build back better and harness the potential of FDI,

particularly for the health sector. Regional and multilateral cooperation is needed in addressing transnational challenges and making national and international investment governance more coherent and development more sustainable.

3. The ongoing pandemic is shifting the world from analogue to digital technology much faster than anticipated. The globalisation of digital technology and the ability to move data across borders now underpins an increasing amount of international trade. This has presented vast opportunities and challenges for BIMSTEC members' businesses, especially small and medium enterprises (SMEs), and consumers, that could otherwise be left behind. The region should work toward the development of a coherent digital master plan to ensure interoperability that would benefit both businesses and consumers.

4. Strengthened social and cultural ties among the peoples of the region is essential for a bottom-up approach towards regional integration and can have considerable impact on the political processes facilitating multi-partite collaboration. Both formal and informal networks of academia, businesses and administrations



can greatly benefit from increased level of people-to-people contacts. Moreover, youth connectivity across borders has the potential to provide new impetus to the whole process. Political commitment of the state actors is the key to strengthening the multidimensional network that the BIMSTEC has the potential to become.

The Dialogue realizes the need for a strong flow of cultural and social exchange across the border. With rich history of shared culture and social values in the region, people-to-people contacts have the potential to progress at a greater velocity and in the process mobilize a cross-border civil society.

We believe that, as a multi-partite platform, this Dialogue embodies the spirit of cooperation and hope that this forum will continue to facilitate vital exercises to aid policymakers and stakeholders in materializing the shared vision of regional integration in the Bay of Bengal region.