



TRADE OPPORTUNITY FOR INDIA IN BIMSTEC

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Abstract: The study's goal is to examine the potential for an economic alliance between India and the BIMSTEC region. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation was established by Bangladesh, India, Sri Lanka, Bhutan, Nepal, Myanmar, and Thailand following the liberalisation of these nations. India is the largest economy of the group, followed by Thailand, Bangladesh, Sri Lanka, Myanmar, Nepal and Bhutan. India's trade opportunity within BIMSTEC is vast due to the organization's potential for Intra - regional trade and economic integration. India has already made significant investments in the region and has established trade agreements with most of the BIMSTEC countries. India still has unrealized potential to expand trade in the area, especially in industries like manufacturing, services, and agriculture.

I. INTRODUCTION

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a regional organization comprising seven member states in the South and Southeast Asia region, namely India, Bangladesh, Bhutan, Myanmar, Nepal, Sri Lanka, and Thailand.

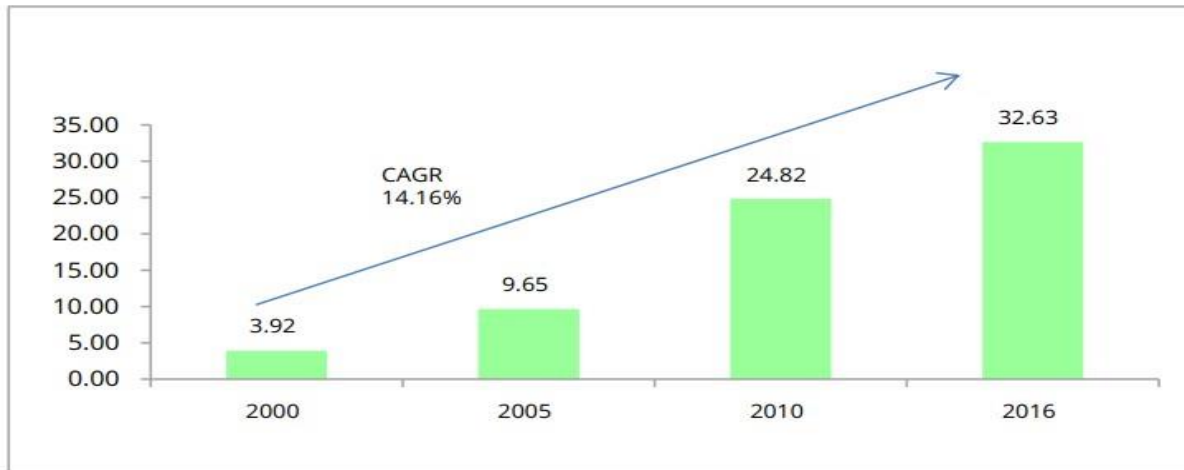
It was established in 1997 to promote cooperation in various sectors such as trade, investment, technology, energy, and tourism among its member states. The BIMSTEC region is home to more than 1.5 billion people and is one of the fastest-growing regions in the world, with a combined GDP of over \$3.5 trillion.

Over the years, India has become an important platform for India's "Look East" policy, which seeks to enhance India's economic and strategic ties with Southeast Asia. This paper focuses on India's trade opportunities and explores ways to enhance trade relations between India and other BimSTEC member states. It identifies key sectors with potential for growth and suggests measures to further strengthen trade ties.

There are 14 main sectors of BIMSTEC along with technological and economic cooperation among South Asian and Southeast Asian countries along the coast of the Bay of Bengal.

1. Trade & Investment
2. Transport & Communication
3. Energy
4. Tourism
5. Technology
6. Fisheries
7. Agriculture
8. Public Health
9. Poverty Alleviation
10. Counter-Terrorism & Transnational Crime

Intra-Bimstec trade volume



There are several trade opportunities that India can explore in BIMSTEC, some of which are:

Trade in goods: BIMSTEC members can benefit from each other's marketplaces through trade in goods, including manufactured goods, textiles, and agricultural products.

Trade in services: Member nations can benefit from India's services in IT, healthcare, and education.

Investment: India can use its powerful investment powers to finance BIMSTEC projects.

Connectivity: India has the opportunity to lead BIMSTEC's efforts to improve connectivity.

Travel: India can use its robust tourism sector to draw visitors from BIMSTEC member countries.

INDIA RELATION WITH BIMSTEC COUNTRY

India has also been actively involved in developing connectivity infrastructure in the BIMSTEC region, including the Kaladan Multimodal Transit Transport Project and the India-Myanmar-Thailand Trilateral Highway. These infrastructure projects are expected to boost trade and investment in the region and enhance people-to-people exchanges.

India has also been collaborating with BIMSTEC countries in several regional and international forums, including the ASEAN Regional Forum, the East Asia Summit, and the Mekong-Ganga Cooperation. These platforms provide opportunities for India to engage with BIMSTEC countries on issues of regional security, connectivity, and economic cooperation.

Overall, India's relationship with BIMSTEC countries is crucial for its economic and strategic interests in the region. India has been working closely with BIMSTEC countries to enhance trade and investment, develop connectivity infrastructure, and strengthen people-to-people exchanges.

India's export share in total world exports and in BIMSTEC region

Year	BIMSTEC total exports (in US\$ Million)	India's Total exports (in US\$ Million)	India share of exports in BIMSTEC region	Total world exports (in US\$ million)	share in world exports of BIMSTEC region (per cent)
1997	3479.375	9709.371	35.84	518040	0.67
1998	3320.732	9236.492	35.95	515675	0.64
1999	3691.998	10045.1	36.75	534740	0.69
2000	4235.810	12271.7	34.52	612818	0.69
2001	4387.849	11891	36.90	591914	0.74
2002	5009.796	12834.6	39.03	622215	0.81
2003	5936.066	15160.8	39.15	727197	0.82
2004	7590.420	18588.6	40.83	882605	0.86
2005	10035.264	22621.3	44.36	996056	1.01
2006	12120.061	27065.2	44.78	1163260	1.04
2007	14589.805	32094.8	45.46	1327590	1.10
2008	18186.090	38197.4	47.61	1537620	1.18
2009	17676.504	35332.4	50.03	1196750	1.48
2010	22040.850	45216.8	48.74	1455890	1.51
2011	30148.325	56599.3	53.27	1738000	1.73
2012	28956.477	52988.2	54.65	1689320	1.71
2013	33661.139	57600.6	58.44	1614760	2.08
2014	37892.873	61382.3	61.67	1856230	2.59
2015	41432.672	63782.5	63.64	1985320	3.01
2016	39662.772	62582.15	62.65	1920775	2.8
2017	40547.445	63182.32	63.14	1953047	2.91

Source: Author's development based on United Nation Commodity Trade Statistics database

GROWTH AND STANDARD OF LIVING IN BIMSTEC

	GDP Growth (%)	GDP (US\$ billions)	Per capita GDP (US\$)
India	7.6	2250.987	1718.687
Bangladesh	6.9	226.76	1403.086
Bhutan	6.028	2.085	2635.086
Myanmar	8.072	68.277	1306.649
Thailand	3.234	390.592	5662.305
Sri Lanka	5	82.239	3869.778
Nepal	0.561	21.154	733.665

Literature review

India has contributed significantly to the development of commercial ties among BIMSTEC member nations since the organization's inception. The BIMSTEC region is estimated by the World Bank to contain over 1.6 billion people and have a combined GDP of over \$3.5 trillion, making it a highly lucrative market for Indian products and services.

The BIMSTEC Free Trade Agreement is one of the key steps India has made to increase trade with BIMSTEC nations (FTA). The FTA has been the subject of ongoing negotiations ever since the 2004 signing of the deal. The reduction of tariffs, non-tariff barriers, and rules of origin are just a few of the issues that have not been resolved, and progress has been sluggish in these areas.

India has been actively involved in bilateral trade with BIMSTEC nations despite the FTA talks' sluggish progress. India's trade with BIMSTEC nations has been increasing steadily over the years, with a total trade volume of \$42.8 billion in 2020–21, up from \$39.4 billion in 2019–20, according to the Ministry of Commerce and Industry.

Bangladesh, Myanmar, and Thailand are among India's principal trading partners in the BIMSTEC region. India's bilateral trade with Bangladesh was \$10.4 billion in 2020–21, with \$7.2 billion of that amount coming from exports to Bangladesh, according to the Ministry of Commerce and Industry. In a similar vein, India's bilateral commerce with Myanmar totaled \$2.2 billion in 2020–21, with \$1.8 billion of that amount coming from exports to Myanmar.

In order to increase connectivity and facilitate trade, India has also been involved in a number of infrastructure development projects in BIMSTEC nations. For instance, India is constructing the Kaladan Multi-Modal Transit Transport Project, which aims to link the ports of Kolkata in eastern India with Sittwe in Myanmar and Mizoram in northeastern India from those ports. The Trilateral Highway, which will link Thailand, Myanmar, and India, is also being built by India.

OBJECTIVES OF THE STUDY

To study trade opportunity for India in The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation.

To analyse of trade between BIMSTEC country.

RESEARCH METHODOLOGY

1. Research design

The study is quantitative in nature and secondary data is used. The study is based on trade opportunity for India in BIMSTEC region. The time series of data collected is from establishment of BIMSTEC to current Year.

2. Sources of data

The study is based on secondary data. Data regarding India trade relation with Bangladesh, Bhutan, Myanmar, Shrilanka, Nepal, Thailand was from International journal of management studies and articles.

3. Data collection method

The data was collected from various published articles of government of India. The Data regarding trade opportunity for India in BIMSTEC country also collected from various publication of government of India, journals and articles.

Challenges:

India needs to address issues like infrastructure bottlenecks, administrative roadblocks, and regulatory barriers in order to optimise the potential of these trade opportunities, despite the potential benefits. In addition, India must negotiate geopolitical difficulties, particularly in light of its relations with China, a BIMSTEC non-member with a sizable regional impact.

RESULTS

India can take advantage of BIMSTEC's numerous trade possibilities and its strengths in a variety of industries to gain from the organization's members' increased economic cooperation. The share of INTRA - BIMSTEC trade in BIMSTEC world trade stood at 5.97 per cent in 2017. Of this, India contributed 2.31 per cent, the largest share among all BIMSTEC countries. This is followed by 1.41 per cent by Thailand, 0.68 per cent by Bangladesh, 0.53 per cent by Nepal and, 0.5 per cent by Myanmar, 0.44 per cent by Sri Lanka and 0.1 per cent by Bhutan. The share of India in INTRA BIMSTEC trade grew from 1.19 per cent 2000 to 2.31 per cent in 2017.

Table -2India's Projected Trade with BIMSTEC Countries

year	Bangladesh	Bhutan	Myanmar	Nepal	Sri-Lanka	Thailand
2019	8062.61	721.64	2343.95	5935.20	721.64	11390.45
2020	8453.48	758.58	2450.41	6239.80	758.58	11957.80
2021	8844.35	795.51	2556.87	6544.40	795.51	12525.15
2022	9235.22	832.44	2663.33	6849.00	832.44	13092.50
2023	9626.09	869.38	2769.79	7153.60	869.38	13659.85
2024	10016.96	906.31	2876.25	7458.20	906.31	14227.20
2025	10407.83	943.25	2982.71	7762.80	943.25	14794.55
2026	10798.70	980.18	3089.17	8067.40	980.18	15361.90
2027	11189.57	1017.11	3195.63	8372.00	1017.11	15929.25
2028	11580.44	1054.05	3302.09	8676.60	1054.05	16496.60

Conclusion:

India can take advantage of the numerous trade possibilities presented by BIMSTEC and its strengths in a number of different industries to gain from the member nations' increased economic cooperation. However, in order to take full advantage of these opportunities, India must resolve the issues. The group can be extremely helpful in fostering regional security and tackling global issues like terrorism, poverty, and climate change.

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