

## **BIMST-EC (Bay of Bengal Initiative for Multi Sectoral, Technical and Economic Cooperation) FTA**

BIMST-EC was set up in 1997 and is widely seen as the bridge between SAARC and ASEAN. The combined size of BIMSTEC economies is US\$750 billion with a 1.3bn population. The members are at different levels of economic and industrial development and share different natural resource endowments. Hence complementarities between them are substantial. BIMST-EC has identified six sectors of cooperation; Trade and Investment, Technology, Transportation and Communication, Energy, Tourism and Fisheries. The draft framework agreement for BIMSTEC FTA proposes a fast track of liberalisation between 2006 and 2011 and a normal track between 2007 and 2017, depending upon the level of development.

The intra regional trade among BIMSTEC countries, which include Nepal and Bhutan as well, still remains very low. Bangladesh still has not signed into BIMSTEC FTA, but would do so soon. Full potential of intra regional trade remains untapped due to tariff and non-tariff barriers, poor communication and transport links and lack of information about the supply capabilities among other barriers. In areas like energy cooperation, the mutual gains are very high. The region combines countries having large gas reserves beyond their short and medium term domestic requirements such as Myanmar, and those with immense untapped potential of hydropower such as Nepal and Bhutan.

### **Trade between Sri Lanka and BIMST-EC countries – 2003**

Country	As a % of Exports	As a % of Imports
Bangladesh	0.218	0.08
India	4.780	16.09
Myanmar	0.005	0.03
Thailand	0.228	2.19
Bhutan	----	-----
Nepal	0.032	-----