



CII
BIMSTEC
BUSINESS SUMMIT
2024

**INDUSTRY PARTNERSHIPS FOR
DEEPENING REGIONAL ECONOMIC ENGAGEMENT**

AUGUST 2024

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EXECUTIVE SUMMARY

BIMSTEC's primary focus is economic and technical cooperation among the countries of South Asia and Southeast Asia that are geographically around the Bay of Bengal.

The Bangladesh-India-Sri Lanka-Thailand Economic Cooperation group was first established in June 1997 and in 2004, it was expanded to include Bhutan, Myanmar and Nepal to become the Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC). BIMSTEC's primary focus is economic and technical cooperation among the countries of South Asia and Southeast Asia that are geographically around the Bay of Bengal. Five Summit meetings have been held so far, with the sixth to take place in Thailand in 2024.

With a total population of 1.7 billion, or 22% of the world's population, BIMSTEC countries have the potential to contribute to the global economy and each other. The GDP of BIMSTEC countries is currently about US\$ 4.5 trillion but the region can achieve faster future growth rates through better economic integration.



BIMSTEC provides a unique link between South Asia and Southeast Asia. The group includes five South Asian nations as well as two members of ASEAN. The combined external trade of the BIMSTEC member states in 2022 amounted to US\$ 1.95 trillion. However, intra-regional trade is low and not commensurate with the diversified economies of the member states. Moreover, while several countries have direct access to the Bay of Bengal, others are landlocked and require support for accessing the dynamic markets of the proximate region.

The grouping has identified key areas of focus over the years, and these have now been distilled into seven priorities, each of which is led by a specific member nation. These include i) trade, investment and development, ii) environment and climate change, iii) security (including energy), iv) agriculture and food security, v) people-to-people contacts, vi) science, technology and innovation and vii) connectivity.

This paper explores the economic progress of the BIMSTEC member states as well as their bilateral and economic relations with India. It delineates existing and potential areas of cooperation including:

- Improving regional value chains for feeding into global value chains
- Developing a regional power grid to enhance energy access, reduce costs, and improve energy resilience in the region
- Improving cooperation on renewable energy to promote sustainable development, climate change mitigation, and economic prosperity
- Facilitating technology transfer within the region in fields like food processing, oceanography, and renewable energy
- Supporting Medium, Small and Micro Enterprises (MSME) through initiatives like an online networking platform and technology transfer facilities
- Focusing on the promotion of advanced farming techniques and biotechnology to improve the resilience of regional crops and strengthen agricultural value chains
- Promoting regional sourcing in the textile sector to maximise value addition

- Streamlining regulatory approvals and augmenting infrastructure to promote greater regional mobility of pharmaceutical products
- Promoting a regional strategy integrated with a comprehensive policy framework on services to meet development goals.

A key factor in achieving intra-regional integration would be an early conclusion of the negotiations for a comprehensive BIMSTEC Free Trade Agreement (BIMSTEC FTA). The seven members of the BIMSTEC region can together invest in regional technology-oriented industrialisation, sustainable manufacturing processes, employment generation through supply-side factors, and higher participation in global value chains.

Recommendations

A strong recommendation of the paper is that BIMSTEC must together add more areas of cooperation to its ambit. Key suggestions are to expand skill development to leverage the young workforce, evolve methodologies for e-commerce cooperation, boost digital public infrastructure and digital access, and foster women-led development. All of these can be disseminated via best practices followed by member countries, such as women's participation in economic development in Bangladesh, e-commerce in Thailand, and digital public infrastructure in India.

Another key recommendation is that industry of all countries should be more deeply engaged and involved in achieving the goals of BIMSTEC. As players in driving growth and development, businesses including small and medium enterprises must be empowered to forge the necessary linkages across borders and build resilient supply chains.

Recommendations for taking forward the BIMSTEC grouping with the engagement of businesses of the member states include:

- Finalising a regional FTA in phases, which would lead to quicker implementation and promote investment, job creation, technology partnerships, and services.

- Promoting a more favourable business climate between members which could include easing FDI restrictions across most sectors, improving ease of doing business, automation and integration of all relevant customs agencies into a unified system, and refining governance on dispute resolution, labour, IPR and innovation.
- Improving energy collaboration between BIMSTEC states through the collective development of a regional power grid, a dedicated fund for investing and promoting renewable energy businesses, and research into green hydrogen for commercial and civil use.
- Establishing disaster management monitoring centres and a coastal biodiversity survey, conducted across the region for comprehensive monitoring of weather conditions and to protect the population and vulnerable species from the significant negative effects of climate change.
- Developing an agricultural technology transfer agreement that would share advanced farming tools between BIMSTEC states based on natural advantages and agri-climatic zones.
- Increasing regional cooperation on tourism between BIMSTEC countries, including developing common safety and security protocols among member states and holding multilateral exchanges on tourism.
- Accelerating the BIMSTEC Technology Transfer Facility (TTF) into force to promote increased technological cooperation and sharing across fields like biotechnology, nanotechnology, and pharmaceutical technology.
- Fast-tracking the BIMSTEC Transport Connectivity Working Group (BTCWG) for implementation of the BIMSTEC Master Plan for Transport Connectivity as soon as possible.

The sixth BIMSTEC Summit meeting is an opportunity to enhance business engagement in the region for deepening economic linkages within the region as well as collectively addressing external opportunities.

With greater industry collaborations and joint projects, the BIMSTEC region and its member states could accelerate their efforts towards growth and development and derive significant benefits in terms of employment and income generation.

The CII BIMSTEC Business Summit aims to catalyse business networks and industry cooperation for aligning with governmental initiatives.

The seven members of the BIMSTEC region can together invest in regional technology-oriented industrialisation, sustainable manufacturing processes

INTRODUCTION

BIMSTEC was formed on 6 June 1997, through the Bangkok Declaration and is headquartered at Dhaka in Bangladesh. It was established with the aim of accelerating shared growth and cooperation between littoral and adjacent countries in the Bay of Bengal region.

The beautiful and expansive Bay of Bengal is the largest bay in the world, bordered by a rich network of estuaries, deep ports, mangroves and hilly regions, and home to a wealth of diverse ecological ecosystems.

It is also at the crossroads of two major land masses that are separated by a narrow channel of water which is one of the busiest sea lanes in the world and is situated at the periphery of the Bay. Some of the largest and most dynamic economies of South Asia and Southeast Asia are located around this large ocean body.

Recognising the intrinsic potential of the region as a critical node for the global economy, a hub for maritime cooperation and a vibrant source of productive strengths, Bangladesh, India, Sri Lanka and Thailand came together to forge a new grouping which was later expanded to include Bhutan, Myanmar, and Nepal as the BIMSTEC.



BIMSTEC was formed on 6 June 1997, through the Bangkok Declaration and is headquartered at Dhaka in Bangladesh. It was established with the aim of accelerating shared growth and cooperation between littoral and adjacent countries in the Bay of Bengal region.

The seven nations in BIMSTEC include five South Asian nations, namely, Bangladesh, Bhutan, India, Nepal and Sri Lanka and two Southeast Asian nations, namely, Myanmar and Thailand. BIMSTEC has attracted significant strategic and diplomatic attention in recent years. The regional grouping primarily aims at deepening cooperation in trade, investment, connectivity and regional value chains.

BIMSTEC includes economies of different sizes. Bangladesh, Bhutan, Myanmar and Nepal are categorised as least developed countries (LDCs) with Bangladesh and Nepal expected to graduate from this list in 2026.

Initially, six sectors were identified in 1997 for augmenting regional cooperation, which expanded to 14 sectors in March 2014. During the fifth BIMSTEC Summit in Colombo in March 2022, seven sectors of priority with subsectors were approved. These include i) trade, investment and development, ii) environment and climate change, iii) security, iv) agriculture and food security, v) people-to-people contacts, vi) science, technology and innovation and vii) connectivity.

The Colombo Summit also saw the Leaders signing the BIMSTEC Charter. The Charter outlines the purposes of BIMSTEC, primarily for cooperation in economic development and specific projects. The members agreed to promote assistance to each other in economic, social, technical and scientific fields. Multidimensional connectivity is also on the list of priorities.

The Charter came into effect from May 2024, providing a renewed impetus to the grouping's common endeavours. In this context, the CII BIMSTEC Business Summit assumes added relevance as it brings in the business enterprises of the member economies for collaborations and cooperation in alignment with the objectives outlined by the Charter.

BIMSTEC benefits from the presence of India as a large economy that ranks the fifth largest in the world. India's growing technological and digital prowess is also an advantage for the sub-region.

BIMSTEC is a key component of India's Neighbourhood First policy and Look East policy which was later transformed into the Act East Policy.

Through sustained economic growth in the two decades since BIMSTEC was expanded, many of the member economies have emerged as players in global value chains. This converges well with recent shifts in global value chains arising from the pandemic, geopolitical uncertainties, and emergence of new sectors and technologies such as electric vehicles, critical industries, and critical minerals. Strategies for developing resilience and diversification in supply chains are gaining traction.

BIMSTEC member nations must seize the opportunity to strengthen intra-regional supply chains by driving their competitiveness, leveraging their demographic and resource advantages and fostering trade openness. This would support their aspirations for a deeper trade integration with global value chains in a synergized and coordinated manner.

A key factor in achieving this integration would be an early conclusion of the negotiations for a BIMSTEC comprehensive Free Trade Agreement (BIMSTEC FTA). The seven members of the BIMSTEC region can together invest in regional technology-oriented industrialisation, sustainable manufacturing processes, employment generation through supply-side factors, and higher participation in global value chains.

This paper outlines the potential for cooperation in the BIMSTEC region and explores India's engagement with each of the other members. It provides guidance on strengthening economic relations among businesses in the partner economies in identified sectors. The paper is sectioned as below:

- Economic overview of BIMSTEC countries
- Trade and investment relations
- Potential areas of cooperation and recommendations

It also provides a detailed overview of the Indian economy for businesses of the BIMSTEC partner countries.

The paper aligns with BIMSTEC priorities and explores the below areas for partnership from businesses of the region.

Trade & Logistics

The BIMSTEC members include landlocked countries of Nepal and Bhutan and an island economy of Sri Lanka along with larger economies of India, Thailand and Bangladesh. Thus, connectivity and trade infrastructure become important considerations for the grouping.

This includes the presence of multimodal transportation facilities, warehousing and logistics, and rapid processes at the borders. Equally important are the institutional and procedural aspects of connectivity, including the rules and governance structures that regulate cross-border movement. Such logistics and regulations would help to connect the mountainous and remote areas including India's North East region with dynamic and vibrant markets in Southeast and East Asia, while also fostering regional trade.

Energy Cooperation

Recognizing the link between energy capabilities and economic development, governments have formulated ambitious strategies to extend electricity access across the sub-region. The region holds significant potential in untapped energy resources, particularly environmentally friendly hydropower found in Himalayan countries like India, Bhutan, and Nepal. Natural gas is distributed across the region, and biomass is available in all member countries. Regional grid, common projects and greater focus on renewable energy sources can help boost energy cooperation in the region.

Cooperation in Services

While liberalising trade in goods is a crucial starting point for creating new trade opportunities, the value chains of industrial goods also require efficient services. Services trade and engagement would extend to the sectors of IT, business and professional services, financial services, tourism and transportation services. The modalities for such cooperation in services would be built on the pillars of mutual recognition agreements and digital access, among others. BIMSTEC has set up a working group on services trade under its trade negotiation committee for the free trade area.

Finding Synergies between Blue Economy and Mountain Economy

BIMSTEC enjoys unique development opportunities due to its interconnected landscapes of mountains, rivers, and sea. The Bay of Bengal, linking several member states, has served as a central hub for trade, commerce, and culture for centuries and is the gateway to the Indian Ocean for most BIMSTEC countries. Additionally, Nepal, Bhutan, Myanmar and India have extensive mountainous regions. Therefore, the potential of the Blue Economy and Mountain Economy should be optimally harnessed. The private sector can play a key role in exploring specific sectoral opportunities.

Digital economy

Efforts are required to prepare BIMSTEC members to harness the potential of the rapidly evolving digital economy. This entails investing in 5G technologies and related infrastructure, adopting a business-friendly regulatory framework for e-commerce, and enhancing digital skills. India's unique experience of digital public infrastructure through the India Stack and related platforms offers a platform for replicating digital transformation for societal benefits across the region. Fintech, edtech, agritech, and e-commerce are key sectors that can ride on digital capabilities.

Conclusion

Industry members of the region can engage with partner BIMSTEC members through strengthening regional value chains which will feed into global value chains. Given that many of the regional economies have similar export baskets and competencies, enhancing trade and strengthening economic cooperation will be achieved with establishment of multinational joint production facilities along the border zones.

This entails investing in 5G technologies and related infrastructure, adopting a business-friendly regulatory framework for e-commerce, and enhancing digital skills.



BIMSTEC ECONOMIES

This chapter provides a brief
macroeconomic overview of the
BIMSTEC economies.

Bangladesh

In terms of nominal GDP for 2023, Bangladesh is the second-largest economy in SAARC and the third-largest in the BIMSTEC regional grouping as of 2023. Despite global headwinds and the current global setting, Bangladesh's economy is characterised by a young demographic dividend, stable macroeconomic fundamentals, diminishing poverty levels, and a robust readymade garments export sector.

As per World Bank's Global Economic Prospects, June 2024, Bangladesh's economy is projected to expand by 5.6% in 2024 and by 5.7% in 2025.

The Government of Bangladesh launched 'Making Vision 2041 a Reality: Perspective Plan of Bangladesh 2021-2041', which aims to transform Bangladesh's economy to an upper-middle- income country (UMIC) by 2031

and a high-income country (HIC) by 2041 by eradicating extreme poverty. Vision 2041 of Bangladesh relies on 4 key pillars of growth and transformation:



Governance



Democratisation



Decentralisation



Capacity building

The vision envisages promoting sustainable agriculture, food security, equitable distribution of benefits of growth, and other effective measures to mitigate food waste as key elements.

Figure 1: Key Macroeconomic Indicators of Bangladesh, 2023

Nominal GDP (US\$ Billion)

446.35

GDP Per Capita (US\$)

2620

Median Age (Years)

27.10

Population (Million)

170.28

Real GDP Growth Rate

6.00%

Source: IMF Data mapper and ESCAP



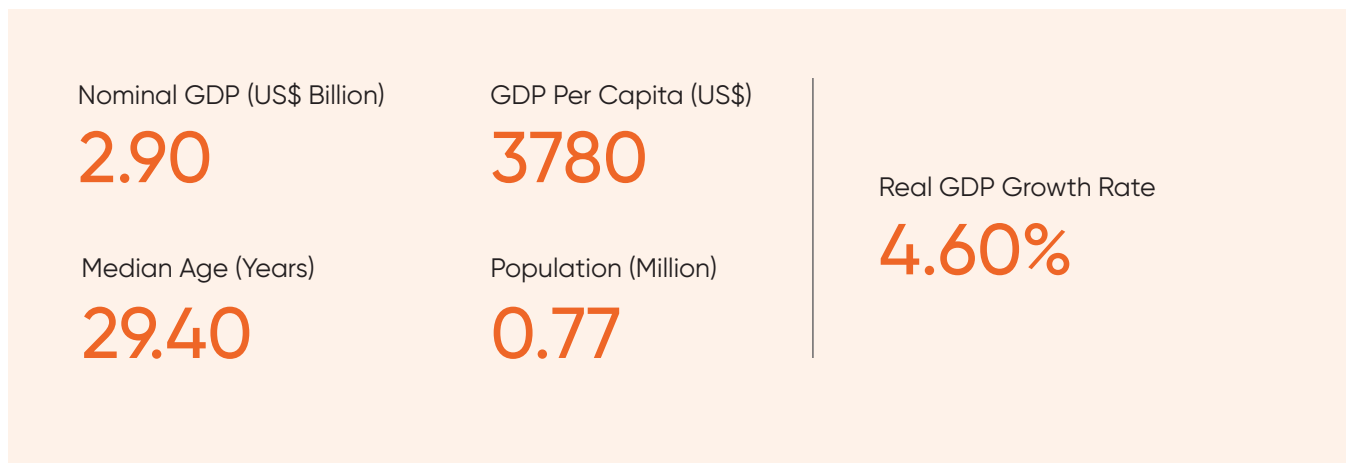
Bhutan

Bhutan is a landlocked country in South Asia and is known for its unique development strategy, where Gross National Happiness (GNH) is emphasised over Gross Domestic Product. Since the 1980s, annual real GDP growth has averaged 7.5% supported by a resilient hydropower sector and robust tourism-led services sector performance. Growth in labour and agriculture productivity coupled with strong remittance inflows contributed to poverty reduction in Bhutan. The economy expanded by 4.60% in 2023

with support from the manufacturing and construction sectors.

According to its 13th Five Year Plan, Bhutan aims to become a high income GNH country by 2034 and identifies three important pillars, namely, people, progress and prosperity. The plan highlights the importance of leveraging technology, engaging with non-government entities, and promoting private sector participation to achieve its goals of economic and sustainable development.

Figure 2: Key Macroeconomic Indicators of Bhutan, 2023



Source: IMF Data mapper and ESCAP



India

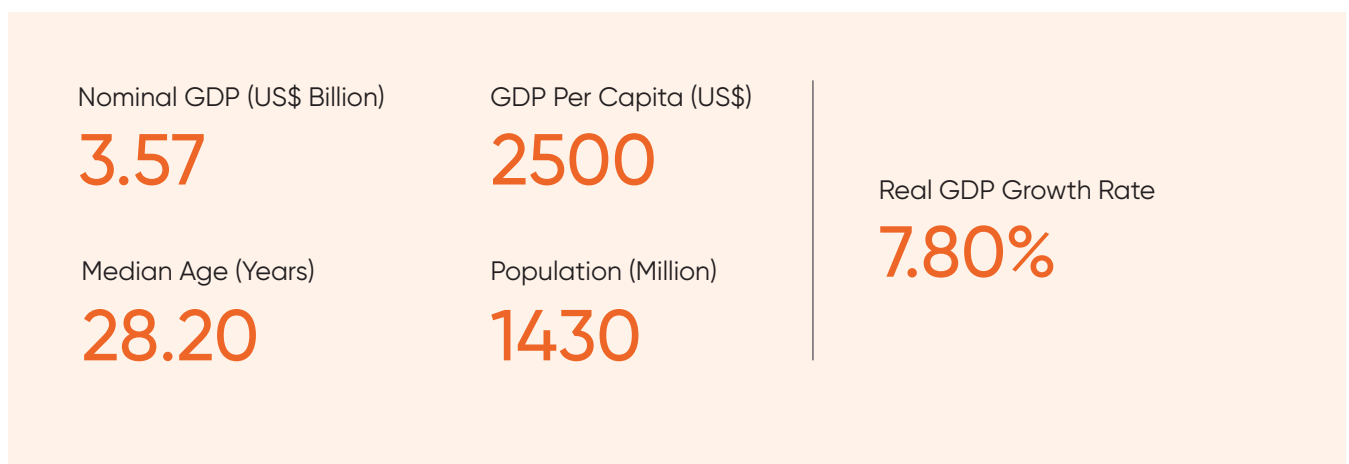
India's economy is characterised by a young demographic dividend which not only strengthens the manufacturing and services sector but also enhances private consumption. India's GDP increased from US\$ 1.86 trillion in 2013 to US\$ 3.57 trillion in 2023 at a healthy Compound Annual Growth Rate (CAGR) of 6.74%.

According to IMF's World Economic Outlook (July 2024), India's economy will expand by 7% in 2024 and 6.5% in 2025.

The Indian economy expanded by 8.2% in 2023-24 on the back of strong manufacturing

and services sectors and public capital expenditure on infrastructure. Expansion of economic growth is the result of several reforms and initiatives undertaken by the Indian Government including Make in India, Digital India, Insolvency and Bankruptcy Code, implementation of the landmark Goods and Service Tax, banking and financial sector reforms, and Ease of Doing Business, among others. Reserve Bank of India expects the Indian economy to grow at 7.2% of GDP for 2024-25 supported by resilient rural and urban consumption.

Figure 3: Key Macroeconomic Indicators of India, 2023



Source: IMF Data mapper and ESCAP



Myanmar

Myanmar has the 4th largest population in the BIMSTEC region. With 70% of the population living in rural areas, Myanmar has a high literacy rate of 89%. The country has witnessed noteworthy reduction in poverty with economic reforms and greater macroeconomic stability.

Post the COVID-19 pandemic and political developments, the economy of Myanmar was

subdued and is 10% lower than its size in 2019. As per World Bank estimates, the economy of Myanmar is projected to expand by 1% in 2024. However, by leveraging its young demographic dividend and large population, coupled with optimal trade, investment, connectivity, and infrastructure strategies, the economy has great potential to surpass pre-pandemic levels of prosperity.

Figure 4: Key Macroeconomic Indicators of Myanmar, 2023

Nominal GDP (US\$ Billion)

64.50

GDP Per Capita (US\$)

1190

Median Age (Years)

29.60

Population (Million)

54.21

Real GDP Growth Rate

2.50%

Source: IMF Data Mapper and ESCAP

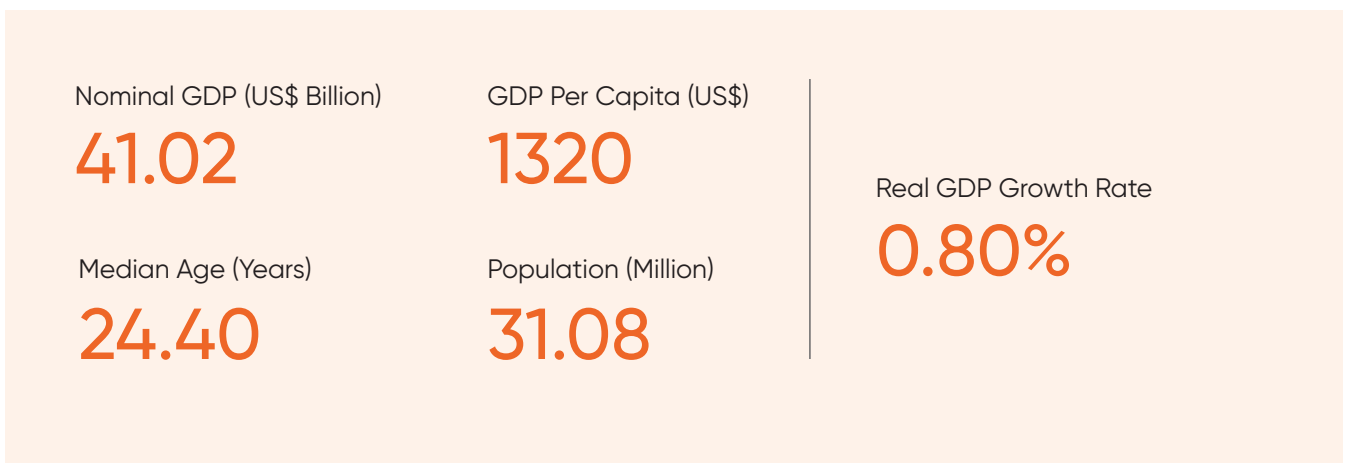


Nepal

Nepal has the youngest population amongst the BIMSTEC countries. According to the World Bank, the economic growth of Nepal is expected to increase to 3.3% in 2023-24 owing to its resilient services sector which is supported by robust remittance inflows and an improved external account balance. Current account balance of Nepal recorded a surplus of 2.7% of GDP in the first 6 months of 2023-24.

According to official estimates, economic growth of Nepal is expected to reach 7.3% in the coming 5 years with the World Bank expecting the Nepal's economy to expand by 3.3% in 2024 and 4.5% in 2025. The country is expected to move out of the LDC category in November 2026 and is looking at how to manage the transition.

Figure 5: Key Macroeconomic Indicators of Nepal, 2023



Source: IMF Data mapper and ESCAP



Sri Lanka

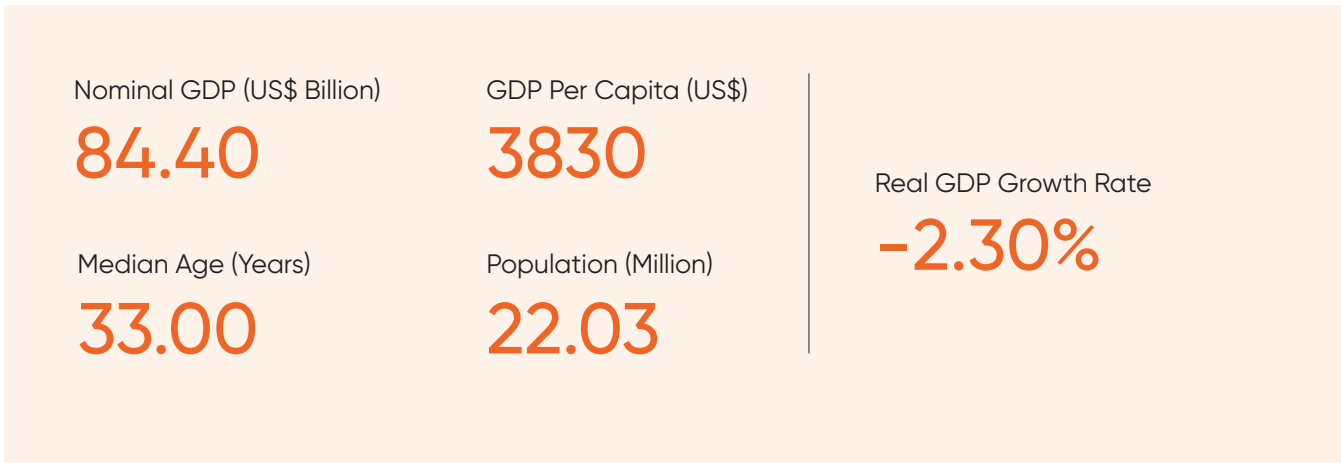
Sri Lanka is endowed with rich natural resources such as limestone, graphite, mineral sands, gems, and phosphate. It is also known for its export capacities of a range of agricultural and industrial products and services.

Some of the key exports of Sri Lanka in 2023 feature in the broad categories of apparel & textiles; tea and spices; precious or semi-precious stones; and electrical machinery and equipment, among others. Sri Lanka's exports of goods and services account for almost 20% of its GDP in 2023.

Budget 2024 of Sri Lanka focused on many initiatives to augment the economic recovery of the country. These include providing ownership of land to tenants living on public housing schemes, providing concessionary loans to small and medium enterprises which account for 52% of Sri Lanka's GDP, increase in capital outlay of the banking sector and focus on trade and connectivity.

Policy initiatives like privatisation, increased international engagement, and enhanced capital expenditure provide a positive outlook for Sri Lanka's economy. The World Bank has projected the Sri Lankan economy to expand at 2.2% for 2024 and 2.5% for 2025.

Figure 6: Key Macroeconomic Indicators of Sri Lanka, 2023



Source: Central Bank of Sri Lanka, World Bank, and ESCAP

Thailand

Thailand is the second largest economy in the BIMSTEC region as of 2023. It is classified by the World Bank as an upper middle-income country. While Thailand's economy is dependent on exports of electronics, food, and automobile parts, it is also characterised by a strong currency and low unemployment with significant infrastructure development.

As per World Bank estimates, Thailand's exports of goods and services amounted to US\$ 337.01 billion in 2023 which is almost 65% of Thailand's GDP, indicating the robust nature of Thailand's manufacturing and export sectors. IMF's World Economic Outlook

for July 2024, projects Thailand's economy to expand from 1.9% in 2023 to 2.9% and 3.1% in 2024 and 2025 respectively.

The National Strategy (2018-2037) acts as a central developmental strategy for Thailand and within the strategy, the Government of Thailand devised a new approach referred to as the "Thailand 4.0" initiative. Key elements within the initiative include innovation, creativity, high-quality services, and new technology that can be nurtured to increase the standard of living for the citizens of Thailand. This acts as a key strategy for social and economic transformation in Thailand with a special focus on innovation.

Figure 7: Key Macroeconomic Indicators of Thailand, 2023

Nominal GDP (US\$ Billion)

514.95

GDP Per Capita (US\$)

7340

Median Age (Years)

40.20

Population (Million)

70.18

Real GDP Growth Rate

1.90%

Source: IMF Data mapper and ESCAP



TRADE AND INVESTMENT

According to the data from the International Trade Centre (ITC), total trade of goods in the BIMSTEC region for 2023 amounts to US\$ 1,863 billion with exports amounting to US\$ 796 billion and imports amounting to around US\$ 1,068 billion.

Table 1: Country-wise Total Trade of BIMSTEC, 2023, US\$ billion

Countries	Exports	Imports	Total Trade
Bhutan	0.45	1.19	1.65
Bangladesh	55.03	64.45	119.49
India	431.99	667.17	1099.17
Myanmar	14.75	16.44	31.19
Nepal	1.22	10.05	11.27
Sri Lanka	12.05	16.38	28.43
Thailand	280.08	292.05	572.14
Total	795.59	1067.77	1863.36

Source: ITC Trade Map

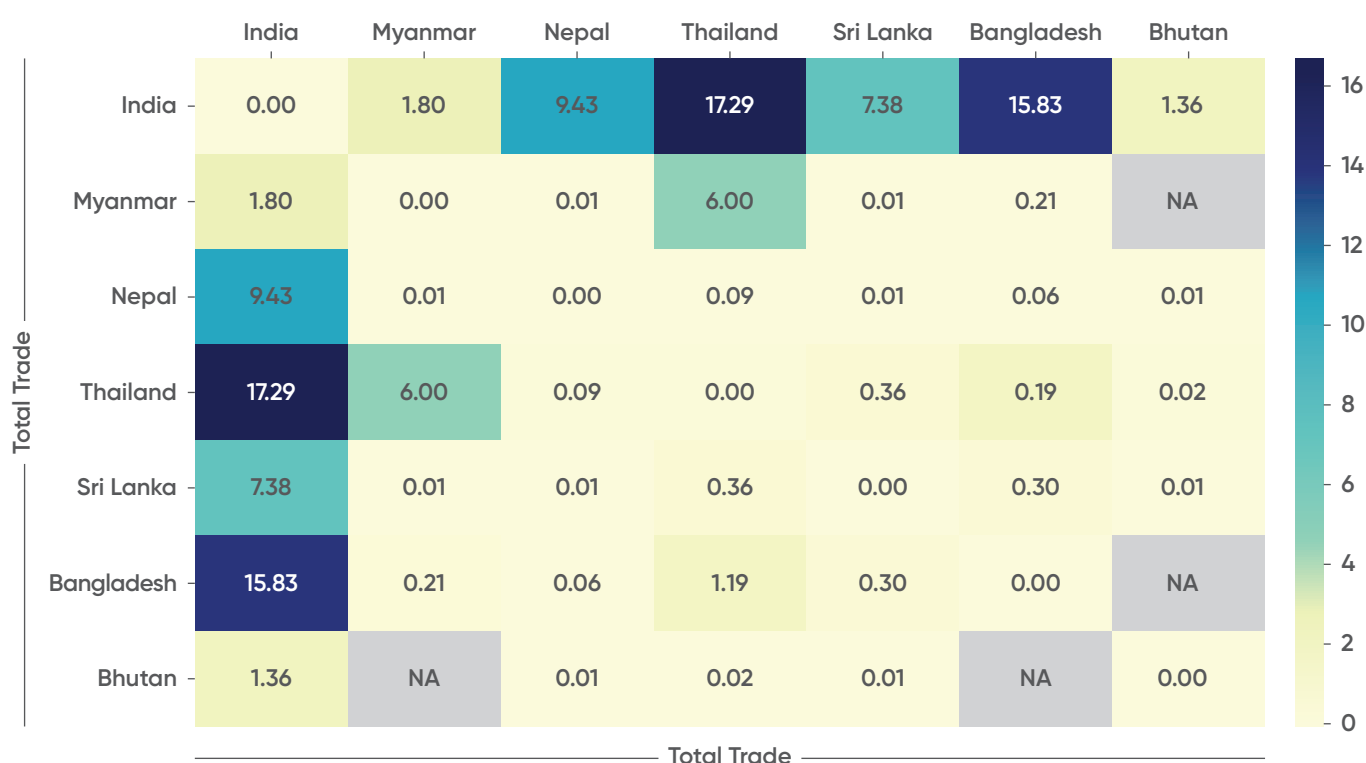
This chapter highlights the trends and patterns of intra-regional trade in the BIMSTEC economies, as the expansion of trade in the BIMSTEC region can become the foundation of their economic and commercial cooperation. Trade engagement with each other figures as only 6% of their total trade.

Figure 8 highlights the intra-regional trade among the five BIMSTEC economies for 2022. Each row

represents a BIMSTEC country's total trade with another country in the region. For example, in 2022, India's total trade with Myanmar amounted to US\$ 1.80 billion, while its total trade with Sri Lanka amounted to US\$ 7.38 billion.

Thailand is India's largest trading partner with total trade at US\$ 17.29 billion, which is followed by Bangladesh, Nepal, Sri Lanka, Myanmar, and Bhutan.

Figure 8: Country-wise Total Trade within BIMSTEC, 2022, US\$ billion



Source: ITC Trade Map

Note: NA used where data is unavailable, Darker shade in the matrix reflects higher trade with a country in terms of value. For example, Thailand is India's biggest trading partner, which is reflected in the figure with a dark blue shade.

Table 2: Top 10 Imports of Bangladesh in US\$ million, 2023

Code	Product label	Imported value
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	10932.47
52	Cotton	6554.08
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	5193.71
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	3877.02
72	Iron and steel	3475.01
39	Plastics and articles thereof	2258.56
15	Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; ...	2127.46
55	Man-made staple fibres	1898.68
60	Knitted or crocheted fabrics	1765.04
54	Man-made filaments; strip and the like of man-made textile materials	1682.22

Source: ITC Trade Map

Table 3: Top 10 Exports of Bangladesh in US\$ million, 2023

Code	Product label	Exported value
61	Articles of apparel and clothing accessories, knitted or crocheted	25684.75
62	Articles of apparel and clothing accessories, not knitted or crocheted	21818.76
64	Footwear, gaiters and the like; parts of such articles	1360.71
63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	1185.61
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	643.20
65	Headgear and parts thereof	639.38
42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	545.88
3	Fish and crustaceans, molluscs and other aquatic invertebrates	408.04
67	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles ...	224.85
88	Aircraft, spacecraft, and parts thereof	173.07

Source: ITC Trade Map

Table 4: Top 10 Imports of Bhutan in US\$ million, 2023

Code	Product label	Imported value
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	238.83
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	155.55
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	143.43
72	Iron and steel	85.51
10	Cereals	49.10
44	Wood and articles of wood; wood charcoal	42.99
39	Plastics and articles thereof	41.26
73	Articles of iron or steel	38.52
49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, ...	28.63
4	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	27.16

Source: ITC Trade Map

Table 5: Top 10 Exports of Bhutan in US\$ million, 2023

Code	Product label	Exported value
72	Iron and steel	221.67
25	Salt; sulphur; earths and stone; plastering materials, lime and cement	142.73
22	Beverages, spirits and vinegar	20.63
9	Coffee, tea, maté and spices	15.96
8	Edible fruit and nuts; peel of citrus fruit or melons	7.97
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, ...	7.84
7	Edible vegetables and certain roots and tubers	5.26
20	Preparations of vegetables, fruit, nuts or other parts of plants	4.16
44	Wood and articles of wood; wood charcoal	3.18
39	Plastics and articles thereof	1.18

Source: ITC Trade Map

Table 6: Top 10 Imports of India in US\$ million, 2023

Code	Product label	Imported value
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	220572.23
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	76040.88
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	72580.08
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	57047.10
29	Organic chemicals	27259.52
39	Plastics and articles thereof	22583.82
72	Iron and steel	18904.24
15	Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; ...	16560.84
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	12621.53
31	Fertilisers	10422.15

Source: ITC Trade Map

Table 7: Top 10 Exports of India in US\$ million, 2023

Code	Product label	Exported value
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	89332.94
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	33418.13
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	32315.54
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	29303.29
30	Pharmaceutical products	21295.00
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	20816.60
29	Organic chemicals	19479.20
72	Iron and steel	11823.54
10	Cereals	11293.25
73	Articles of iron or steel	9742.03

Source: ITC Trade Map

Table 8: Top 10 Imports of Myanmar in US\$ million, 2023

Code	Product label	Imported value
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	5402.18
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	964.75
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	778.02
15	Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; ...	652.65
72	Iron and steel	649.53
54	Man-made filaments; strip and the like of man-made textile materials	633.34
31	Fertilisers	586.70
39	Plastics and articles thereof	574.99
55	Man-made staple fibres	541.82
30	Pharmaceutical products	407.82

Source: ITC Trade Map

Table 9: Top 10 Exports of Myanmar in US\$ million, 2023

Code	Product label	Exported value
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	3573.79
62	Articles of apparel and clothing accessories, not knitted or crocheted	2911.22
7	Edible vegetables and certain roots and tubers	1578.20
61	Articles of apparel and clothing accessories, knitted or crocheted	1476.78
10	Cereals	1197.47
3	Fish and crustaceans, molluscs and other aquatic invertebrates	658.66
89	Ships, boats and floating structures	459.08
64	Footwear, gaiters and the like; parts of such articles	381.30
8	Edible fruit and nuts; peel of citrus fruit or melons	258.23
40	Rubber and articles thereof	235.27

Source: ITC Trade Map

Table 10: Top 10 Imports of Nepal in US\$ million, 2023

Code	Product label	Imported value
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	2325.64
72	Iron and steel	933.43
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	745.46
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	676.71
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	485.98
10	Cereals	366.69
39	Plastics and articles thereof	315.39
30	Pharmaceutical products	312.22
7	Edible vegetables and certain roots and tubers	195.95
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	169.90

Source: ITC Trade Map

Table 11: Top 10 Exports of Nepal in US\$ million, 2023

Code	Product label	Exported value
9	Coffee, tea, maté and spices	10994
57	Carpets and other textile floor coverings	106.26
72	Iron and steel	103.97
55	Man-made staple fibres	94.17
15	Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; ...	83.58
88	Aircraft, spacecraft, and parts thereof	66.84
22	Beverages, spirits and vinegar	64.67
44	Wood and articles of wood; wood charcoal	53.80
23	Residues and waste from the food industries; prepared animal fodder	52.87
63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	52.38

Source: ITC Trade Map

Table 12: Top 10 Imports of Sri Lanka in US\$ million, 2023

Code	Product label	Imported value
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	4070.39
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	1040.81
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	943.95
60	Knitted or crocheted fabrics	785.13
30	Pharmaceutical products	562.85
39	Plastics and articles thereof	545.26
52	Cotton	525.43
72	Iron and steel	462.72
17	Sugars and sugar confectionery	438.73
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	410.22

Source: ITC Trade Map

Table 13: Top 10 Exports of Sri Lanka in US\$ million, 2023

Code	Product label	Exported value
61	Articles of apparel and clothing accessories, knitted or crocheted	2728.35
62	Articles of apparel and clothing accessories, not knitted or crocheted	1753.77
9	Coffee, tea, maté and spices	1668.44
40	Rubber and articles thereof	941.03
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	429.48
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	382.57
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	380.38
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	293.52
3	Fish and crustaceans, molluscs and other aquatic invertebrates	291.25
20	Preparations of vegetables, fruit, nuts or other parts of plants	204.04

Source: ITC Trade Map

Table 14: Top 10 Imports of Thailand in US\$ million, 2023


Code	Product label	Imported value
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	58976.99
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	55132.64
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	31034.87
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	14805.28
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	13582.90
72	Iron and steel	12123.65
39	Plastics and articles thereof	9841.98
73	Articles of iron or steel	7858.80
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	6668.97
38	Miscellaneous chemical products	5880.92

Source: ITC Trade Map

Table 15: Top 10 Exports of Thailand in US\$ million, 2023

Code	Product label	Exported value
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	49550.68
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	40389.99
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	33480.81
40	Rubber and articles thereof	16755.44
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	14515.88
39	Plastics and articles thereof	13006.82
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	10960.59
8	Edible fruit and nuts; peel of citrus fruit or melons	6895.68
16	Preparations of meat, of fish, of crustaceans, molluscs or other aquatic invertebrates, or ...	6415.87
73	Articles of iron or steel	5478.02

Source: ITC Trade Map



AREAS OF COOPERATION AND RECOMMENDATIONS

Given the widening expanse of areas of cooperation between nations, a multilateral forum such as BIMSTEC can ensure impactful outcomes with the participation of industry in all member states.

To align with emerging aspects of economic growth and development, BIMSTEC members should consider exploring new activities into their ambit.



Skill development: With a young workforce as one of the biggest economic assets of the region, youth empowerment and employment would unlock high economic potential. Skill levels in the BIMSTEC countries are low and must be enhanced through cooperation models.

The skilling endeavour would extend to setting up training, apprenticeship and vocational education facilities, developing mutually recognised certifications, ensuring reskilling and upskilling, and developing gender-sensitive skilling programs. This would help create relevant skills sought by global players and would also meet regional requirements. BIMSTEC may explore ways of enhancing cooperation in skill development, which is central to income generation.



E-commerce: The BIMSTEC region being a geographically contiguous area could benefit from expanding e-commerce within the region. This would help local artisans and manufacturers to easily access proximate markets.

An e-commerce platform on the lines of India's ONDC could be considered. Local transportation methods and efficient fund transfer mechanisms would need to be developed for this.



Digitalisation: Digital infrastructure acts as a platform for multiple industry sectors to flourish. Digital public infrastructure platforms can be explored for the BIMSTEC region to enable cooperation in areas such as common documentation, trade facilitation, standards, e-commerce, etc.



Fintech: BIMSTEC countries should look at how to strengthen financial alignment. This would be useful for trade, tourism, e-commerce, and financial inclusion purposes.



Women-led development: Women capabilities can be unlocked in the entire BIMSTEC region. There are disparities in the contribution of women to the workforce and economic activities across the BIMSTEC member countries. Empowering women as income earners would require special initiatives to ensure skill development, digital access, financial access, and employment opportunities. Greater women interactions among the member countries could help dissemination of best practices.

Trade and Investment

Early operationalisation of BIMSTEC FTA

One of the main objectives of BIMSTEC's establishment was to promote intra-regional trade and investment in the Bay of Bengal region. BIMSTEC concluded the Framework Agreement on the BIMSTEC Free Trade Area in 2004. The Framework Agreement encouraged the establishment of effective trade and investment facilitating measures, including simplification of customs procedures, and development of mutual recognition arrangements, among others. A Trade Negotiation Committee with several sub-groups has been established to take this forward.

Early operationalisation of the BIMSTEC FTA will result in tremendous benefits to the countries of BIMSTEC.

First, while facilitating trade and investment in the region, an FTA will support growth and poverty reduction.

Second, the proposed FTA will enable all member economies to leverage their respective resources and strengths for value addition and addressing global value chains.

Third, BIMSTEC cooperation can help develop aligned industrial corridors along specific trade routes that will support local jobs and incomes.

Fourth, an FTA in BIMSTEC will help address tariff and non-tariff barriers, develop mutual recognition agreements and strengthen trade facilitation for competitive cross-border movement of goods.

BIMSTEC countries have built a range of bilateral and multilateral free trade agreements. India already has FTAs with different countries of the grouping and other countries also enjoy free trade agreements with other members. For example, Thailand and Myanmar are part of the ASEAN free trade agreement. However, the South Asian members of BIMSTEC, apart from India, do not have existing FTAs with its ASEAN members, thereby creating a gap in trade relations that a BIMSTEC FTA can meet.

While the South Asian Free Trade Area (SAFTA) was inked in 2006, it has largely been ineffective in implementation. Similarly, the India-ASEAN Trade in Goods Agreement which came into effect in 2010 is undergoing review. This adds to the urgency of finalising a regional trade agreement that would be contemporary and aligned to emerging imperatives of resilient supply chains, sustainability transitions, and technology transformations.

The member countries signed a Framework Agreement on the BIMSTEC FTA in February 2004 which came into force on 30 June 2004. It proposes a comprehensive free trade agreement with the following areas being part of the discussions.

- Progressive elimination of tariffs and non-tariff barriers (NTBs) in substantially all trade in goods.
- Progressive liberalisation of trade in services with substantial sectoral coverage.
- Establishing an open and competitive investment regime that facilitates and promotes investment within the BIMSTEC FTA.
- Establishing effective trade and investment facilitating measures, including, but not limited to, simplification of customs procedures and development of mutual recognition arrangements.
- Establishing appropriate mechanisms for implementation of the Agreement.

Recommendations

A BIMSTEC FTA would help to expand exports between the member countries as well as to other destinations. To ensure timely conclusion of a BIMSTEC FTA, the member countries should consider the following initiatives:

Agreements

- The BIMSTEC Trade Negotiating Committee has set up working groups on rules of origin, trade in services, investment, legal experts, customs cooperation and trade facilitation. Of these, the group on Rules of Origin has met 21 times with significant progress, while the trade facilitation group has met twice. The various constituent agreements should be finalised at the earliest.
- BIMSTEC should be ambitious in the scope of its FTA, which should aim to include investments, job creation, technology partnerships, and services. A phase-wise FTA can be considered for fastest implementation as and when discussions are concluded on these specific areas.
- The Working Group on Rules of Origin should build on the progress made during its 21st Meeting to finalise the Rules for Determination of Origin of Goods and Operational Certification Procedures and Product Specific Rules as a priority in order to finalise the Agreement on Trade in Goods of the BIMSTEC FTA. Best practices in international trade regarding local value-addition can be studied in this respect.
- Since the BIMSTEC FTA may take some time for full implementation, an early harvest agreement may be considered with lowering of tariffs among the members. This would help in immediate gains and also support regional value chain integration with global value chains.
- In the first phase, there is need to address tariff and non-tariff barriers that act as hurdles to intra-regional trade. BIMSTEC can move towards an ASEAN FTA-like regime that fosters closer integration of trade.
- Progressive liberalisation of trade in services with substantial sectoral coverage should be accelerated in the Working Group on Services.

- The Working Group on Investment should work on a framework for establishing an open and competitive investment regime that facilitates and promotes investment within the BIMSTEC FTA. Policies and strategies that would welcome investments from global players in value chains can be demarcated for use for all the members to encourage investments that are seeking diversification and resilience in global value chains.
- A separate working group may be considered for mutual recognition agreements in both goods and services. Alongside, the grouping can also set up testing and certification facilities across the region. Standards and mutual recognition agreements as well as facilities should be conceptualised as being best-in-class at the global level to meet requirements of global value chains.

Trade facilitation

Several issues have been identified in the ADB report on BIMSTEC Trade Facilitation Strategic Framework 2030 of December 2022 which suggests key actions for improving cross border movement of goods:

- Great digitalisation and automation of customs and other clearance procedures with integration of all relevant agencies into a unified system
- Expanding risk management systems and increasing the number of Authorised Economic Operators (AEOs)
- Advanced rulings and pre-arrival processing to shorten time taken for clearances
- Better compliance with international trade facilitation agreements, such as the WTO's Trade Facilitation Agreement (TFA), the Revised Kyoto Convention, and the World Customs Organization's (WCO's) SAFE Framework
- Efficient hinterland connectivity and more inland transit cargo points to clear goods close to final destinations
- Mutual recognition agreements for testing and certifications
- Cooperation and knowledge-sharing among BIMSTEC countries to improve.

BIMSTEC should work on the below areas for driving export competitiveness.

- Strengthening trade facilitation measures is required to be undertaken, as per the ADB report. Moving towards a digitally enhanced trade facilitation regime, where the systems of the respective countries communicate with each other for seamless movement of cross-border trade should be the objective. In this, India and Thailand can support other countries through their digital and port-led strengths.
- Creating more border facilities for movement of goods is critical to leveraging early gains in BIMSTEC FTA. Even while the negotiations are underway, the hardware for trading across borders can be developed, including border customs points, hinterland connectivity through roads and rail, warehousing and digital infrastructure.
- BIMSTEC should conceptualise strategically located industrial parks. These could be for specific sectors such as textiles and garments, pharmaceuticals, electronics, and other sectors with high presence in global value chains.
- The industrial parks should be supported through multimodal transport linkages and facilitative border crossing infrastructure to ensure fastest evacuation of goods.

Generating awareness on business potential

- There is need for branding and publicity for BIMSTEC production centres on a common basis to encourage greater global investments for value chain purposes.
- Development and income generation can be promoted through a skilling program that caters to the needs of the dedicated industrial parks.
- Engagement of BIMSTEC governments and industry should be stepped up with business delegations to different member countries on the BIMSTEC platform being organised from time to time by industry associations.
- Greater awareness building and engagement platforms should be organised on a regional basis for industry members of all countries, through regular interactions and forums such as the CII BIMSTEC Business Summit.

Investment

Greater intra-regional investments are key to strengthening regional supply chains, developing linkages between the South Asian and Southeast Asian regions, and promoting services exports. The members of BIMSTEC must come together to encourage industry investments in each other's economies to catalyse mutual growth and development. In addition, they should aim to attract extra-regional investments in a strategic pattern that can boost regional value chains.

The Trade Negotiation Committee has established a working group to address the chapter on investments in the BIMSTEC FTA. This has held 8 meetings but has not moved beyond the initial draft stage.

The largest economies of the region, namely, India, Thailand and Bangladesh, received the highest FDI inflows in 2022. The smaller, least-developed economies have attracted low FDI as per their absorptive capacity.

Figure 9: FDI Inflows, 2022, US\$ million



Source: UNCTAD World Investment Report, 2023

Recommendations

- The countries need to collectively build better investment climates, including openness to FDI across most sectors, ease of doing business, dispute resolution, labour, IPR and innovation.
- It is important that member countries provide encouraging investment regimes for other BIMSTEC participants. This could be done through designating investment zones, inviting FDI for special manufacturing or other projects, fiscal measures, and facilitative clearances and approvals.
- Strategic value chain nodes should be evolved, which could be developed as investment hubs across key transportation corridors.
- It is suggested that best practices in investment climate be shared.
- Each country can create a shelf of projects that it can offer to partner member countries with attractive terms.
- Investment roadshows can be held for the region as a whole in key investment source countries.
- A brand building exercise on a collective basis can be envisaged to highlight investment opportunities to external investors.
- A structured platform for business engagements can be set up specifically for addressing investment opportunities, providing tailored information on each country, and making suggestions regarding policies across the region.



Connectivity

Connectivity infrastructure in the BIMSTEC region has improved in the recent past, with new ports coming up and road infrastructure, particularly for the hinterland connectivity, coming up rapidly. As early as 2007, the Asian Development Bank (ADB) outlined a detailed program for construction of specific road, rail and port links. Most of the projects under this have been completed.

The BIMSTEC Transport Connectivity Working Group brought out the BIMSTEC Master Plan for Transport Connectivity in 2018 with the support of ADB. This identifies 141 projects at an estimated cost of US\$ 47 billion to be completed by 2028 and covers road and road transport, railways, ports, inland water transport, airport development, multimodal transport and trade facilitation. ADB also prepared a paper on financing transport linkages in the region.

With landlocked countries, robust railway infrastructure allows for greater trade and tourism along with enhanced cultural cooperation among the countries. Initiatives such as the proposed rail links between India and Bhutan (Kokrajhar-Gelephu rail link and Banarhat-Samtse rail link) during the state visit of Indian Prime Minister Mr. Narendra Modi in March 2024 will strengthen connectivity. Similarly, India and Nepal can promote further development of railway infrastructure in addition to the Jaynagar-Janakpur-Bardibas railway line.

Greater participation of the private sector will be critical to the rapid development of connectivity. This would include a range of

initiatives to be actioned, such as long-term financing options, viability gap funding, tailored models such as build-operate-transfer, hybrid annuity model, build-operate-own, etc. for different projects, and capacity building, among others. It is also important that industry participants see an environment of trust, cooperation and political will as well as rule of law and transparency in bidding and implementation of the projects.

Recommendations

- The BIMSTEC Transport Connectivity Working Group (BTCWG) should expedite the implementation of the agreed activities under the BIMSTEC Master Plan for Transport Connectivity as soon as possible.
- The BTCWG should finalise the Concept Note of the BIMSTEC Framework Agreement on Transit, Transshipment and Movement of Vehicular Traffic between and among BIMSTEC member countries in order to facilitate the formulation of the draft Framework Agreement.
- There should be simultaneous negotiation and finalisation of the BIMSTEC Motor Vehicle Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between and among BIMSTEC member states.
- BIMSTEC should have in place the institutional and procedural aspects of connectivity related to rules and governance structures that regulate such cross-border movement.
- There is a need to develop a model contract for public-private partnerships in infrastructure creation.
- All joint infrastructure projects should have a timeline that should be strictly adhered to.

Energy and Renewable Energy

The region encompasses vast energy resources, including 331 billion tonnes of coal, 718 million tonnes of oil, 76 trillion cubic feet (TCF) of natural gas, 386 GW of large hydropower and renewable energy of 1,359 GW potential, according to the BIMSTEC Energy Outlook 2035.

The bulk of the hydropower potential is in India, Myanmar, Nepal and Bhutan. India has the highest coal reserves in the region, and the largest renewable energy (solar and wind) potential. India, Myanmar, Thailand and Bangladesh also possess substantial gas reserves. In Sri Lanka, exploration activities are underway for oil and gas fields, which could lead to discoveries of proven reserves in the future.

Electricity generation capacity in BIMSTEC is projected to increase at a CAGR of 6.7%, reaching 1,220 GW by 2035. This includes a significant energy transition, with renewables share increasing to 50% in 2035, from 22% in 2020.

BIMSTEC member states have a long history of bilateral cooperation in the electricity sector. There are cross-border transmission interconnections between many of the member states along with cross-border power trade. This includes the export of power from hydropower plants in Bhutan to India, and the import of power from India, by Bangladesh, Nepal, and to a small extent, Myanmar.

Developing a regional power grid would facilitate the sharing of electricity across borders, enhancing energy security and efficiency. The Indian private sector, with its advanced infrastructure and technology in the energy sector, could play a pivotal role in this project, helping to balance power supply and demand across the region.

The "Plan of Action for Energy Cooperation in BIMSTEC" was established during the first BIMSTEC Energy Ministers' Conference held in New Delhi in 2005. As part of this plan, under the "BIMSTEC Trans-Power Exchange and Development Project", an MoU was signed by member states during the 4th BIMSTEC Summit held in 2018 in Kathmandu.

The agreement lays down a broad framework for BIMSTEC cooperation in grid interconnections for trade in electricity. It calls for promotion of regional electricity networks, greater investments in capacity, and power exchange through cross border interconnections.

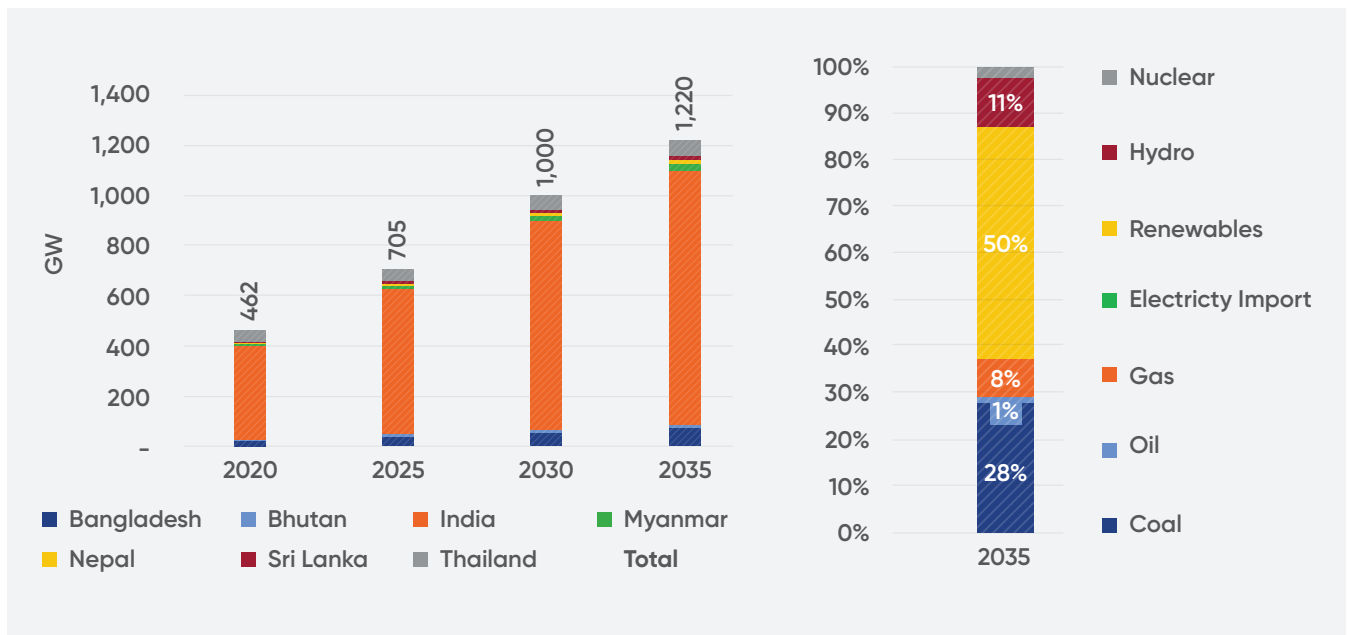
India hosted the first meeting of the Governing Board of BIMSTEC Energy Centre (BEC) in February 2023 in Bengaluru.

Electricity generation capacity in BIMSTEC is projected to increase at a CAGR of 6.7%, reaching 1,220 GW by 2035.

The BEC aims to:

- Coordinate, facilitate and strengthen cooperation in the energy sector by promoting knowhow and capacity building.
- Operationalise a framework for networking among the national level institutions in the region.
- Study and compile prevailing policies of the BIMSTEC member countries in different areas of energy sector.
- Enhance cooperation for capacity building on best practices, including reforms, regulations and energy efficiency.
- Collaborate to develop infrastructure for green hydrogen production, thus preparing for a smoother energy transition.

Figure 10: BIMSTEC - Electricity Installed Capacity - 2035



Source: BIMSTEC Energy Outlook-2035, South Asia Regional Initiative for Energy Integration

Recommendations

- There is a need to strengthen the existing MoU on energy cooperation. This could include specific projects that would optimise sharing of energy. A shelf of such projects could be developed for business participation along with long-term funding availability.
- The regional energy grid would need to take into account the growing requirements of different members and incorporate a comprehensive mix of hydropower, wind, solar, and conventional energy sources.
- Use of advanced technologies in managing the grid would be required.

The BIMSTEC members are in the process of finalising key instruments including the BIMSTEC Energy Master Plan, the BIMSTEC Policy for Transmission of Electricity and the Policy for Trade, Exchange of Electricity and Tariff Mechanism, all of which are expected to facilitate the effective implementation of inter-grid connections.

The capacity of electricity generation is predicted to grow to 1,220 GW by 2035.

Renewable Energy Sector

According to the BIMSTEC Energy Outlook 2035, the BIMSTEC region has a significant clean energy resource potential of 386 GW of hydro and 1,359 GW of renewable. Myanmar, India and Nepal have unused, profitable hydropower potential.

Table 16: BIMSTEC energy resource potential

Resources	Coal (Million Tonnes)	Oil (Million Tonnes)	Gas (Trillion Cubic Feet)	Bio-mass* (MT)	Hydro (GW)	Renewable* (GW)
Bangladesh	3,089	8	12	218	-	4
Bhutan	1	-	-	625	41	13
India	372,256	619	49	4,150	145	1,242
Myanmar	544	14	7	3,303	100	61
Nepal	<1	-	-	1,056	83	5
Sri Lanka	-	-	-	156	2	12
Thailand	1,063	77	9	1,838	15	23
BIMSTEC Total	376,953	718	76	11,346	386	1,359

Source: Down to Earth (BIMSTEC region can provide green affordable energy access to all)

Recommendations

Renewable energy is a critical component of the climate change imperative and given common geographical space, the BIMSTEC countries should devise a common action plan for harnessing wind, solar, tidal and hydropower.

- It is suggested that a dedicated fund be established for leveraging renewable energy opportunities by businesses. This could be on the lines of the National Infrastructure Investment Fund in India. Innovative financing mechanisms should be considered for enhancing RE capacity across the region.
- With green hydrogen emerging as a key requirement for economies, a common initiative for setting up capacity could be considered.

- Energy efficiency and common frameworks for energy audits would help businesses of the member countries to drive competitive use of energy.





Environment and Climate Change

The Bay of Bengal and its adjacent estuaries, plains and mountains represent a rich and unique ecological heritage, whose preservation, judicious use, and conservation must be a key priority for the BIMSTEC region.

In addition, the blue economy of the Bay of Bengal offers many economic advantages such as deep sea mining, fishing, marine research, development of coastal regions, tourism circuits, and so on. Combined efforts on the BIMSTEC platform for leveraging these opportunities in an environmentally friendly way emerges as the uppermost priority for the grouping.

Climate change induced sea-level rise would dramatically impact groundwater salinity, negatively impact soil fertility, and increase food insecurity in the region. Additionally, significant sea-level rise would erode and destroy coral reefs in the Bay of Bengal and cause significant displacement of people living in coastal areas.

Simultaneously, climate shifts have resulted in destabilisation of glacial lakes, with over 40 on the verge of bursting. Continued damage to these glacial lakes could induce Glacial Lake Outburst Floods (GLOF), which would increase the frequency of flooding in nations like India, Nepal, and Bhutan.

Finally, climate change would increase the frequency of extreme weather events like cyclones and heavy rains, which would have

a drastic effect on BIMSTEC nations, already suffering from 80% of global cyclone-related fatalities.

Common environmental challenges in the Bay region include sea erosion, waste management with effluents flowing to rivers and the sea, mangrove forest preservation, and air and water pollution. Common actions must be taken to address these through BIMSTEC.

BIMSTEC nations have initiated a few programs to address and adapt to environmental and climate change. In 2014, a Memorandum of Understanding (MoU) established the BIMSTEC Centre for Weather and Climate (BCWC). This center promotes scientific capacity building in weather and climate research and assists in publications in line with the BIMSTEC cooperation on weather and climate.

The Joint Working Group on Environment and Climate Change in late 2023 finalised a Plan of Action on cooperation between BIMSTEC nations on Environment and Climate Change and submitted it for review at the BIMSTEC Senior Officials' Meeting.

Climate change induced sea-level rise would dramatically impact groundwater salinity, negatively impact soil fertility, and increase food insecurity in the region.

Recommendations

It is imperative that environmental and climate change considerations be accorded higher priority on the BIMSTEC agenda. The subsector on Environment and Climate Change must expand beyond the mountain economy and look at Bay of Bengal environmental conservation, judicious use of blue economy, regional disaster management and rehabilitation, air and water pollution, water conservation and management.

It is suggested to establish a working group including experts, organisations, and industry representatives for holistically taking up environmental and climate change issues.

- Stronger collaboration is required to develop a regional action framework on cooperation and coordination on environment and climate change among BIMSTEC member states.
- An action plan for the Mountain Economy can be developed. This should include best practices in environmental protection and biodiversity management. Experts from leading mountain economies can help in this initiative.
- There is need to develop knowledge databases and research centres on glacial lakes to assess damage and reduce the negative effects of GLOFs.
- Disaster management monitoring centres should be established across the region for comprehensive monitoring of weather conditions and sharing of information. This will help increase

preparedness for cyclones and contribute to developing health and transport corridors in cyclone prone areas for medical evacuation.

- Collaboration on a multilateral survey of the biodiversity of BIMSTEC nations emphasising species and ecosystems at significant risk from climate change is critical to ensure that the vibrant Bay of Bengal ecosystem is sustained.
- Accelerate the finalisation and implementation of the Plan of Action on the Environment and Climate Change at the BIMSTEC Senior Officials Meeting and development of the Action Matrix in line with the suggestions contained in the plan of action.
- Business participation in environmental issues should be encouraged through green business practices, green product use and green buildings. Business sustainability can be promoted through common and mutually recognised ESG norms, expansion of existing platforms for business initiatives, and governmental support for MSME.





Science, Technology, and Innovation

BIMSTEC countries can benefit from technology transfers, joint ventures, and research collaborations. This was identified as one of the priority areas for cooperation by the BIMSTEC nations during the 2nd ministerial meeting in Dhaka in 1998 with an objective to exchange technologies in select industries.

The Memorandum of Association on the Establishment of BIMSTEC Technology Transfer Facility was signed during the 5th BIMSTEC Summit (2022), which is yet to come into force. This would facilitate technology transfer, especially those appropriate for MSMEs.

The priority areas for transfer of technology include biotechnology, nanotechnology, information and communication technology, space technology applications, agriculture technology, food processing technology, pharmaceutical technology, automation, new and renewable energy technology, oceanography, nuclear technology applications, e-waste and solid waste management technology, health technologies, and technologies pertinent to disaster risk reduction and climate change adaptation.

Apart from capacity building and sharing of experience, the facility would establish collaborative links for cross border technology transfer with other regions and international institutions. As a group, BIMSTEC would better be able to attract technology from different sources. An expert group was established in 2023 with Sri Lanka as the lead country for Science, Technology and Innovation, which has finalised an action plan for 2023-24.

India and Thailand are relatively technologically advanced countries in the region and thus would bear the larger responsibility of taking technological advancements in the region forward.

Fostering Digital Partnerships

The digitalisation agenda and cross-border digital linkages and interoperability should be a key priority for BIMSTEC, given that there have been tremendous advancements in technologies, and digital transformation has emerged as an imperative towards empowering small businesses and communities.

BIMSTEC countries may lead a regional digital payment system that would enhance trade and commerce within the grouping. However, technology legislation has become very important given the rising incidents of cybercrimes across the globe.

BIMSTEC countries can leverage the burgeoning digital economy of Southeast Asia. According to the World Economic Forum, Southeast Asia's digital economy could reach up to US\$ 1 trillion gross merchandise value by 2030. Higher internet penetration, increase in mobile phone users and time spent online are some key drivers that would facilitate better digital cooperation between BIMSTEC countries.

The digitalisation agenda and cross-border digital linkages and interoperability should be a key priority for BIMSTEC

The countries can learn from each other's digital initiatives like Digital India, Digital Bangladesh Vision, Thailand's seven flagship initiatives to reshape digital landscape, and Digital Nepal, among others.

India's success in developing Digital Public Infrastructure (DPI) could be shared with partners. The DPI has resulted in financial inclusion of the poor in the banking system, cashless transactions, targeted delivery of public benefits, and better management of social funds in India. India has expressed its willingness to share this technology with developing nations and this can be expanded in the BIMSTEC region.

Recommendations

- Transfer of technologies among the BIMSTEC member states should be facilitated, inter alia, in the priority areas which may be extended as agreed upon by the member states, including biotechnology, nanotechnology, information and communication technology, space technology applications, agriculture technology, food processing technology, and pharmaceutical technology.
- BIMSTEC Joint Working Group on Science, Technology and Innovation (STI), which was established following the 5th BIMSTEC Summit, must intensify its activities and expand to include Industry 4.0 technologies.
- Completion of all necessary formalities for the early entry of the BIMSTEC Technology Transfer Facility (TTF) into force, which was established subsequent to the signing of the Memorandum of Association (MoA), and the constitution of its Governing Board, is required to be urgently concluded.
- The STI initiative should include cooperation among the member states on public health issues in the Bay of Bengal Region. Encourage the Expert Group on Public Health to develop a plan of action and also explore the possibility of international support for regional capacity building in this sector.
- There is a need to integrate the vibrant startup sector in BIMSTEC for common solutions. A challenge hackathon may be regularly held.
- India's expertise in the space economy can be a good starting point for space cooperation and special initiatives to build confidence among BIMSTEC members on technology cooperation.
- Businesses should be encouraged to set up R&D facilities in BIMSTEC countries. An R&D fund could be conceptualised for this purpose.
- Digital transformation of enterprises can be taken forward through structured learning and training programs to be offered virtually.





Agriculture and Food Security

Most of the population in the BIMSTEC region is dependent on agriculture and related activities for livelihood. Collaboration in this area could involve sharing best practices, technology transfer, and joint research initiatives to improve crop yields and food security.

Policies and investments focused on promoting sustainable agricultural practices and agri-trade in the regions must also be instituted. Collaborative projects could focus on developing climate-resilient crops, improving supply chain logistics, and enhancing value-added agricultural products.

Future collaborations could focus on advanced farming techniques, biotechnology, and food processing. Joint research and development initiatives can help in developing climate-resilient crops and improving supply chain efficiencies.

Food Processing is also an important sector for this region for several reasons. First, the region is home to around 24% of the global population with rising demand for food products. Second, sectors like agriculture, forestry and fisheries play a key role, contributing nearly 20% to the region's economic output. Third, food security is a priority for all countries in the region, especially those least developed like Nepal. Lastly, expanding middle class and urbanisation in the region contributes to demand for high-value food products, including organic produce.

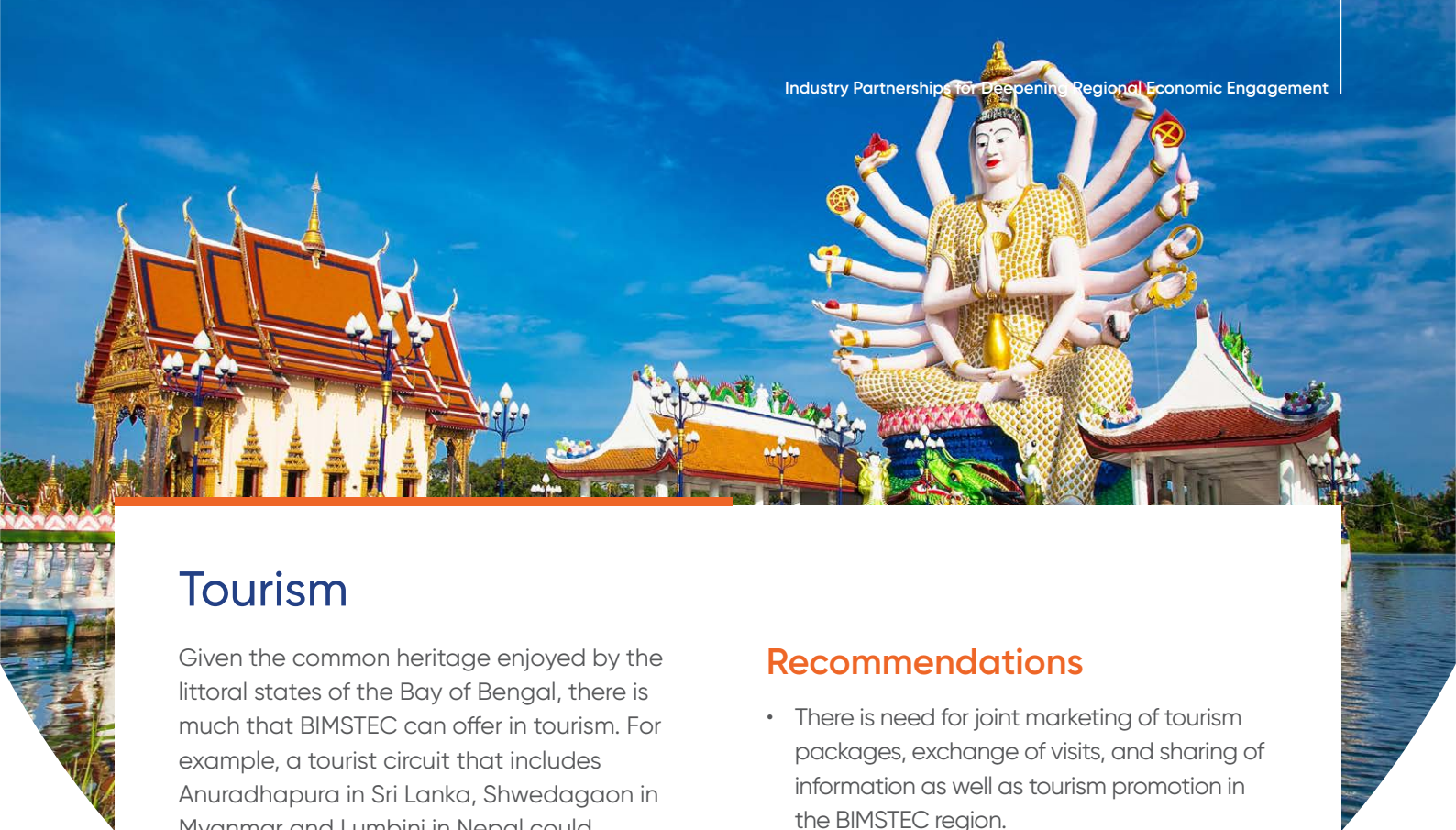
An FTA that reduces tariff barriers in agricultural products will foster intra-regional trade.

For instance, Thailand levies an applied tariff of 13.67% on whole milk powder imports from India, giving a possible preference to duty-free imports from extra-regional countries like New Zealand and Australia.

NTBs (mainly technical barriers) that inhibit intra-regional trade must also be mitigated. This can be achieved, for example, through streamlining the long registration process faced by Indian dairy exporters in Myanmar as well as increasing the World Organisation of Animal Health approved Foot and Mouth Disease free zones in India for enabling meat exports.

Recommendations

- The initiatives on agriculture and food security should be aimed at infusing greater technology into farming. As part of the Technology Transfer Agreement, agricultural technologies can be shared among countries, taking into account their respective natural advantages and agri-climatic zones.
- Food security is a particular imperative for the mountainous regions of the grouping. Agricultural education cooperation is an important aspect of food security. There is need to undertake learning and technical missions across the member countries so that best practices can be shared.
- Skilling of farmers at the grassroots should be jointly undertaken for the areas around the borders.
- Value chain mapping would help develop food processing industries across the region.



Tourism

Given the common heritage enjoyed by the littoral states of the Bay of Bengal, there is much that BIMSTEC can offer in tourism. For example, a tourist circuit that includes Anuradhapura in Sri Lanka, Shwedagon in Myanmar and Lumbini in Nepal could contribute to cultural and people-to-people understanding among the regional people. Similarly, India, Sri Lanka and Thailand can offer joint beach experiences, while the rivers of Bangladesh, Nepal and India can be promoted for cruises along historical sites.

BIMSTEC has accorded high importance to tourism as a way of fostering people-to-people linkages and also generating incomes and employment opportunities. Nepal is the lead country for tourism sub-sector and has prepared a draft plan of action which is to be finalised.

The BIMSTEC Tourism Ministers' Roundtable and Workshop has met twice, and senior officials' meetings are held, along with a BIMSTEC Working Group and a BIMSTEC Network of Tour Operators.

BIMSTEC has accorded high importance to tourism as a way of fostering people-to-people linkages and also generating incomes and employment opportunities.

Recommendations

- There is need for joint marketing of tourism packages, exchange of visits, and sharing of information as well as tourism promotion in the BIMSTEC region.
- The region's natural, cultural and historical endowments should be harnessed in order to enhance intra-BIMSTEC tourism as well as tourism from other countries.
- The revised action plan on tourism as outlined by lead country Nepal should be finalised and implemented.
- The BIMSTEC Network of Tour Operators needs to be strengthened. The suggestions of the first meeting held in 2017 can be activated, including developing a branding and marketing strategy, holding the BIMSTEC travel mart, developing common safety and security protocols and holding an annual convention on tourism.
- Sites for promotion of Buddhist and Temple Circuits as well as eco tourism, adventure tourism, mountain tourism, etc should be identified in each country and developed for regional and global tourists.
- A tourism fund was earlier proposed for developing tourist infrastructure. This may be considered.



Other areas of collaboration

Textiles and Readymade Garments

This sector is the largest source of export earnings in several countries in the region and is one of the major contributors to economic development. The share of the sector in the total merchandise exports stands at 89.3% in Bangladesh, 44.4% in Sri Lanka, and 11.5% in India. Similarly, its contribution to total GDP stood at 11% in Bangladesh, 6% in Sri Lanka and 2.3% in India.

Besides, industry is a valuable source of income in most of these countries with 7.96% of the total workforce in Bangladesh and 6.89% in Sri Lanka employed in the sector. Low labour costs and strong relationships with lead firms in this sector can be important enablers for countries in this region to play a key role in the textiles and readymade garments value chain.

The countries should work on incentivising companies through fiscal measures and other FDI linked benefits. The countries can also take insights from the Resilient Supply Chain Initiative (SCRI) by India, Japan, and Australia, which aims to encourage diversification of supply chains to countries in the Indo-Pacific region.

To improve the region's integration in the global value chains, focus can be on building backward linkages to the sector's value chains to maximise regional value added in

products from this sector. This can be achieved through scaling production capacity in raw materials and intermediate inputs, promoting regional sourcing, and mobilising FDI from extra regional players like South Korea, Japan in upstream segments like fibre, yarn, and fabric.

Pharmaceuticals & Traditional Medicine

BIMSTEC which is home to 22% of world's population has a huge demand for better quality and cheaper priced pharmaceuticals. With a rich heritage and usage of traditional medicines, the member countries can share wellness options with the world with joint programs and co-developed products.

A task force has been set up by BIMSTEC secretariat on traditional medicines, which has met five times. At the last meeting in 2023, issues such as setting up a portal on traditional medicines, research on diabetes, etc were taken up.

The total merchandise exports stands at 89.3% in Bangladesh, 44.4% in Sri Lanka, and 11.5% in India. Similarly, its contribution to total GDP stood at 11% in Bangladesh, 6% in Sri Lanka and 2.3% in India.

India's pharmaceutical industry is one of the largest in the world, with India ranking third in the world in terms of the volume of pharmaceutical production. It is also the world's largest supplier of generic medicines and is a global provider of high-quality pharmaceutical products at affordable rates. With its inherent strengths in the sector, India could promote development of the region as the next pharmacy of the world and improve healthcare outcomes in the region as well. This includes joint ventures, research collaborations in drug development, and shared strategies to combat health crises like pandemics.

Some recommended actions are:

- Streamline regulatory approvals and international inter-industry linkages.
- Shift government funds to technical universities in countries with manufacturing capacities.
- Infrastructure augmentation in cold chains taking the lead from UNEP-led Cool Coalition.
- De-bottleneck supply chains using advancements in information and communication technologies like AI, blockchain and Internet of Things (IoT).

- To facilitate knowledge transfer and scale up of inspection and certification centres, enable seamless technology transfer and look beyond IP.

Value chains in traditional medicines could be formed within the region. India is already exporting such products to USA, Germany, Italy etc. A possible value chain in terms of procurement of raw materials could be explored especially from Nepal, Bhutan and Myanmar.

Services Sector

The services sector plays a vital role in supporting goods trade, especially through supply chains and e-commerce. Within the BIMSTEC member states, there is a notable disparity in the share of services exports in the export basket. In 2022, India was the largest exporter of services in value terms among these countries with Thailand as the second-largest exporter. Sri Lanka, Myanmar, Nepal, and Bhutan have substantially lower export levels compared to the top three countries.

The services sector holds substantial potential for collaboration within BIMSTEC. India's expertise in IT and digital services can assist other member countries in enhancing their digital economies. Furthermore, the banking sector could benefit from shared financial technologies (fintech) and medical services could see advancements through telemedicine and joint healthcare projects.

In 2022, India was the largest exporter of services in value terms among these countries with Thailand as the second-largest exporter.

Significant synergies exist between services and manufacturing, such as telecom services with equipment manufacturing and electronic hardware with software. Key areas of focus include IT, healthcare, pharmaceuticals, shipbuilding, R&D, and biotechnology. Efficient services in transport, distribution, finance, utilities, telecommunications,

and business operations are critical for the cost-effective production and marketing of goods.

Common initiatives for skill development, mutual recognition of qualifications and easier recognition, digital access, and short-term mobility aspects can be considered for expanding services exports.

Figure 11: BIMSTEC Nations – Total Services exports to the World, 2022, US\$ million



Source: ITC Trade Map

* The values are estimated by UNCTAD and WTO.

Medium, Small, and Micro Enterprises

MSMEs are the backbone of the BIMSTEC economies, with significant contribution to employment, exports, and GDP. The sector is a major source of livelihood and exports in member countries, supporting hundreds of millions of people. Any effort towards integration of BIMSTEC economies necessarily has to factor in the needs and challenges of MSMEs of the region. Some of the areas where joint initiatives can be devised include:

- Marketing, technology, finance, and skill development.
- Networking platform to facilitate networking and business opportunities.
- Online database and trade facilitation desk for sector-wise directories of MSMEs and to offer trade promotion services.
- Create awareness among MSMEs on sectoral complementarities and select sectors such as textiles, handicrafts, agro-processing, leather, and others.
- Intra-regional trade and investment with emphasis on technology exchange.
- Service sector collaboration for sectors like finance, IT, construction, and transport, which support agriculture and manufacturing.
- Technology Transfer Facility (TTF) with focus on technological knowledge and skill transfer
- Capacity building, technology transfer, information sharing, and addressing energy-related issues.

Mainstreaming Gender in Trade

Trade and trade negotiations often disregard gender-specific barriers to women's participation. Trade policies and the different phases of the production line need to be reviewed from a gender lens to enhance inclusive growth in general across the region.

BIMSTEC needs to adopt proactive measures to improve women's opportunities. Identifying low-hanging fruits in terms of sectors suitable for women (such as the service sector) is an important first step to bridge the gender gap in trade. Addressing structural and institutional barriers will require big-picture thinking on how countries can bring a larger pool of women in trade and related economic activities.

These actions may include increasing women's representation in leadership, policy, and decision-making roles, building capacity of women entrepreneurs to navigate trade rules and regulations, extending credit facilities and addressing gender digital divide, among others.

Collecting gender disaggregated trade participation data is another important long-term investment to identify missing links and opportunities for involving more women in economic activities. Identifying barriers and challenges faced by women-led MSMEs presents another opportunity for integrating women-led business into regional GVCs. The BIMSTEC member countries can share best practices in empowering women in trade.



CONCLUSION: THE WAY FORWARD

As a grouping, the creation of BIMSTEC has been a visionary initiative in its ambition to deepen and strengthen linkages around the critical geographical area of the Bay of Bengal, and a connect between two vital and large economies of South Asia and Southeast Asia. However, the platform has a long way to go in achieving its potential.

The many working groups and task forces set up by the grouping over the years have delivered a range of action plans across the identified priorities, reflecting the interest of the group members in continued progress. Supported by ADB as well as other international organisations, the quick and coordinated implementation of these action plans can drive the common agenda forward.

The participation of industry in the region has so far been subdued and notable engagements on a regional basis have not been held regularly. A concerted effort to convene industry on government-to-government initiatives and policies can boost business cooperation and help to integrate the region into strategic value chains for the benefit of global value chains.

The upcoming BIMSTEC Business Summit Meeting to be held in 2024 is expected to be transformative in revitalising this platform of regional cooperation, which would greatly add to the stability, economic growth and prosperity of the Indo-Pacific region.

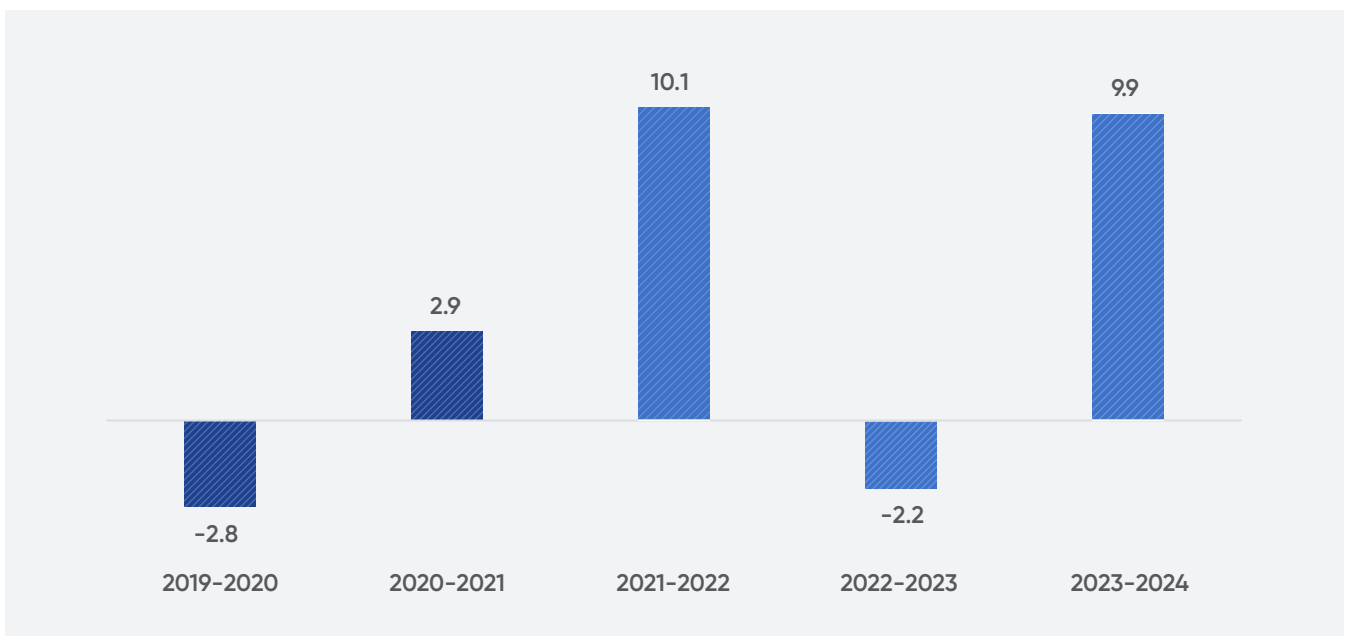


ANNEX: INDIAN ECONOMY: RISING GROWTH TRAJECTORY

In the last couple of years, the world has gone through multiple crises which has added to the long list of existing flashpoints. Despite these challenges, global growth is seen to sustain its momentum in 2024 supported by a rebound in global trade and an anticipated soft landing in advanced economies. The International Monetary Fund (IMF) in its latest World Economic Outlook projects the global economy to grow at 3.2% in 2024, the same rate as in 2023.

Amidst the global flux, Indian economy stands on a firm economic footing buttressed by a strong performance across sectors, which has imparted its resilience. The intrinsic strength of India's macroeconomic fundamentals was reaffirmed as it registered a healthy growth rate of 8.2% in 2023-24, making it the third consecutive year of above 7% growth. The resilience in the domestic economic activity came on the back of strong investment demand and manufacturing sector activity, coupled with upbeat business & consumer sentiments.

Figure 12: Manufacturing sector activity strengthens in 2023-24 (y-o-y%)

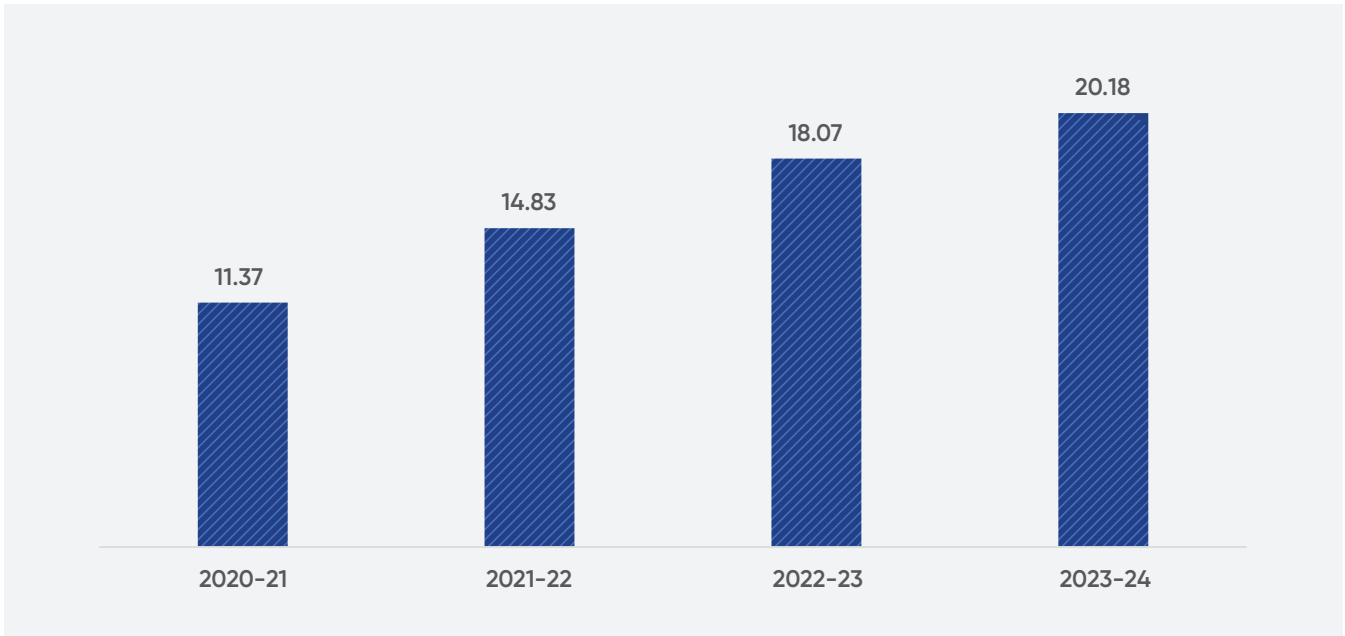


Source: CSO

Moreover, there has been a continued uptrend witnessed in a slew of high-frequency indicators such as GST revenue collections, bank credit, auto sales and air passenger traffic among others since the start of the current fiscal year. Manufacturing

and Services PMI have also maintained buoyancy. The revival in rural demand has also been encouraging, with rural FMCG growth, which was lagging the urban demand having picked up since Q2 2023-24, overtaking the urban demand in Q4 2023-24.

Figure 13: GST Revenue collections have been robust over the years (INR trillion)

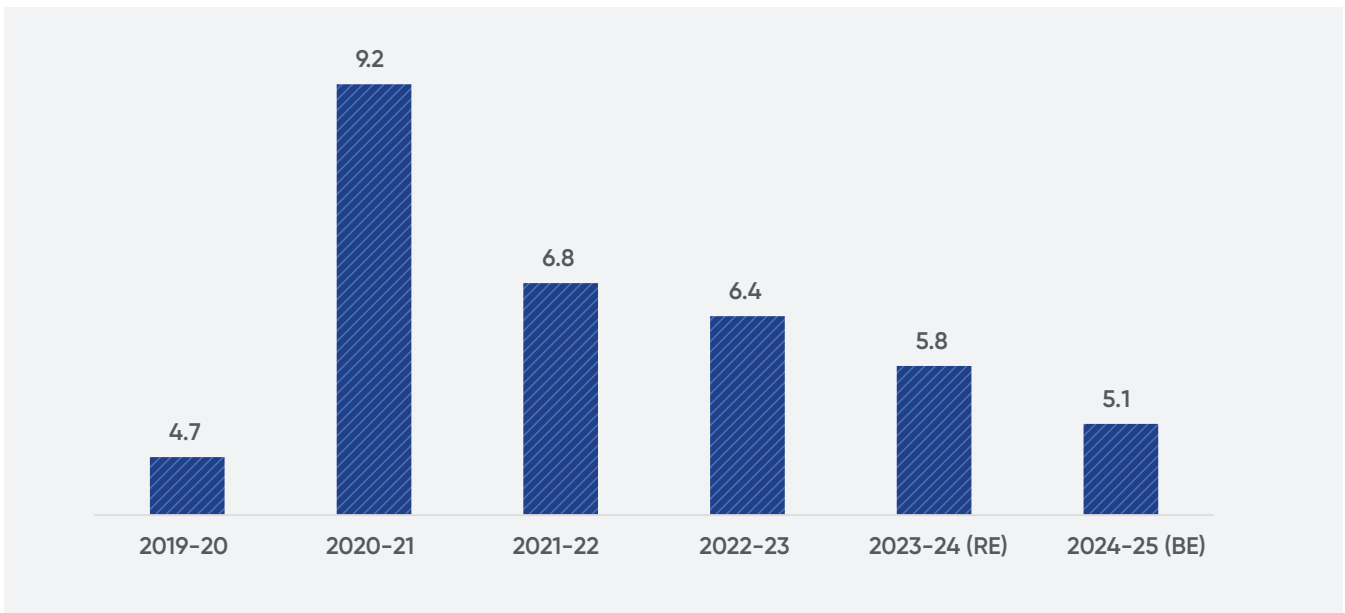


Source: PIB

With this background, CII expects India to grow at a healthy rate of 8% in 2024-25, higher than the estimates of the RBI (7.2%) and IMF (6.8%) for the current year. Our optimism stems from expectations of next-gen reforms pertaining to the factor market, being carried forward in mission mode. Apart from these next-gen reforms, the expectations of an above-normal monsoon, the government's continued thrust on capex while

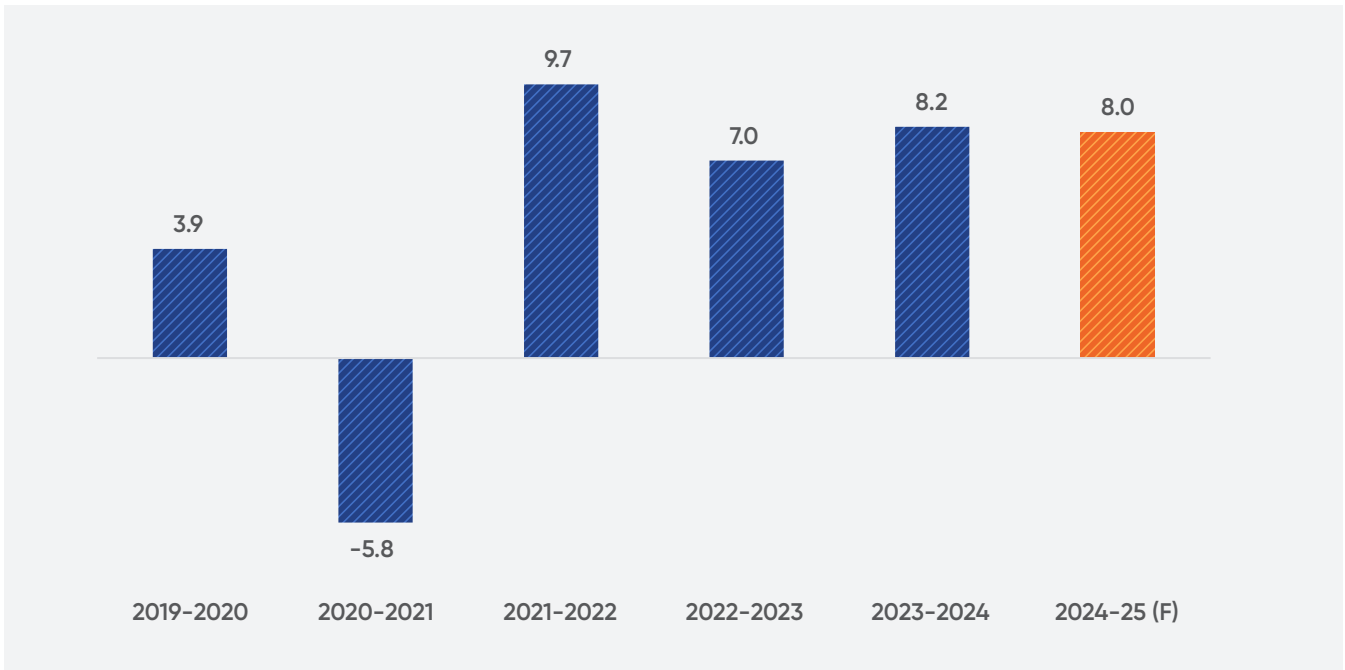
maintaining fiscal prudence, continued softening of inflationary pressures, and improvement in global trade prospects are the other key factors, which would support growth in the current fiscal. Having said that headwinds from geopolitical tensions, volatility in international commodity prices, geoeconomic fragmentation, and elevated food prices pose risks to the outlook.

Figure 14: Budget on track to adhere to the fiscal glide path (Fiscal deficit as % of GDP)



Source: Budget documents

Figure 15: India's real GDP growth trajectory over the years (y-o-y%)

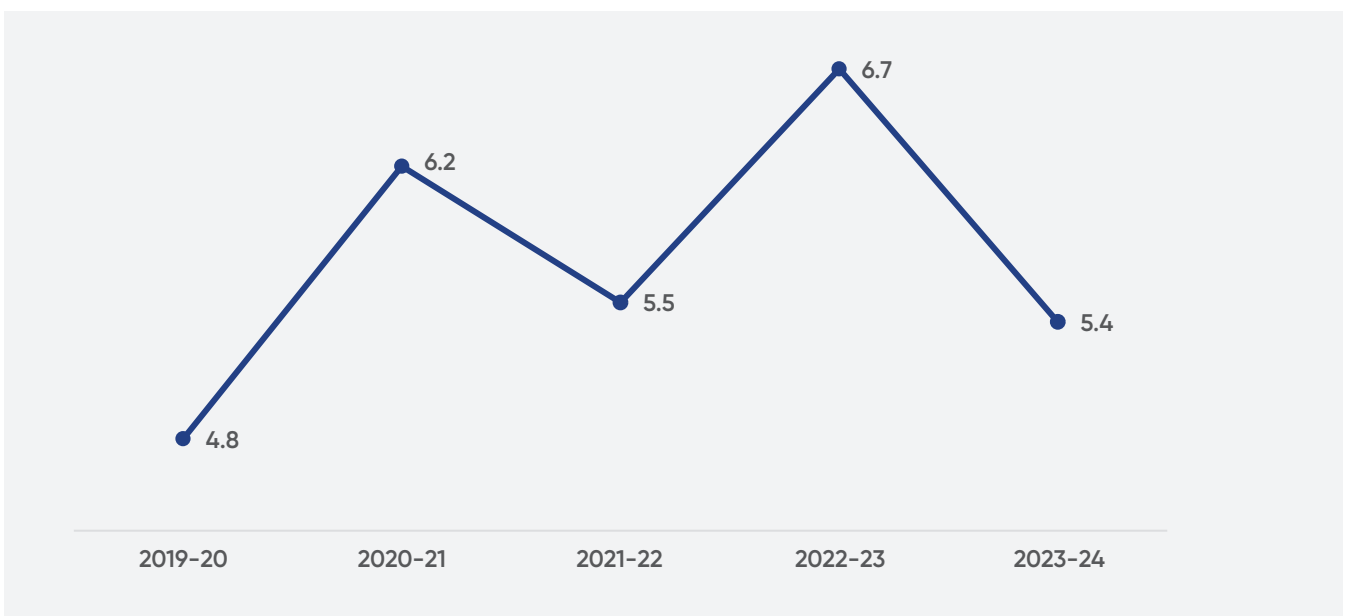


Source: CSO
 Note: 2024-25 is CII forecast

Headline inflation as measured by the Consumer Price Index, which had been a cause of worry in the last fiscal, has been showing signs of softening lately. CPI inflation continued to stay above the RBI's target of 4% as it averaged 5.4% in 2023-24 as compared to 6.7% in 2022-23 mainly on the back of high food prices. Even as food prices continue to

stay stubbornly high, non-food categories have exerted a downward push on the headline print since the start of the current fiscal. A slew of supply-side developments announced by the government coupled with lagged impact of the RBI rate hikes have also contributed to moderation in inflation.

Figure 16: Annual CPI Inflation (y-o-y %)



Source: CSO

Going forward, expectations of a normal monsoon this year will help to soften food prices, thus aiding in bringing down the headline print near the RBI's target of 4%. RBI, on its part, which has maintained a status-quo on the key interest rates since February 2023 is expected to pivot to cutting rates in the second half of the year in tandem with improvement in transmission of the past rate hikes to the money market rates.

On the external front, despite persistent global challenges, overall exports (merchandise + services) stood at US\$ 778.4 billion in 2023-24, surpassing last year's highest record of US\$ 776.3 billion. Even as merchandise exports contracted by 3.2% due to slower external demand as India's key export destinations saw a slowdown, healthy outbound services were the main drivers of overall exports. Going forward, the recent healthy export

momentum seen since the start of the current fiscal coupled with forecasts of better trade growth by the key multilateral organisations are encouraging and will help to support India's external demand.

Further, regarding external financing, India has seen robust Foreign Direct Investment (FDI) inflows in the recent years, supported by government's enabling policy reforms and attractiveness of robust economic fundamentals of the Indian economy. In the fiscal year 2023-24, India attracted gross FDI inflows amounting to US\$ 70.9 billion, as compared to US\$ 71.4 billion recorded in the previous year. Foreign Portfolio Investments (FPI), too, have remained strong, aiding the emergence of a booming domestic capital market.

Despite the challenges emanating from the global environment, there is optimism that India's rich economic fundamentals and strong performance across the sectors will continue to impart resilience to the economy and take it to a higher growth trajectory.



The fiscal year 2023-24, India attracted gross FDI inflows amounting to US\$ 70.9 billion, as compared to US\$ 71.4 billion recorded in the previous year.



Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9,000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 365,000 enterprises from 294 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness, and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Through its dedicated Centres of Excellence and Industry competitiveness initiatives, promotion of innovation and technology adoption, and partnerships for sustainability, CII plays a transformative part in shaping the future of the nation. Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

For 2024-25, CII has identified "Globally Competitive India: Partnerships for Sustainable and Inclusive Growth" as its Theme, prioritizing 5 key pillars. During the year, it would align its initiatives and activities to facilitate strategic actions for driving India's global competitiveness and growth through a robust and resilient Indian industry.

With 70 offices, including 12 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with about 300 counterpart organizations in almost 100 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry

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