

Essay on The BIMSTEC Agreement

"With fast globalization of world's economy, BIMSTEC agreement can be viewed as an effort to strengthen the process of economic cooperation and free trade amongst the Asian countries for their mutual benefits".

The agreement was signed among Bangladesh, India, Myanmar, Srilanka, and Thailand on 8th Feb. 2004 at Phuket, (Thailand), where the Ministers of Commerce and Foreign affairs of these nations met in the process of strengthening the trade ties and binding them into an alliance. The name BIMSTEC an acronym consists of the first letters of the countries involved, (B) Bangladesh, (I) India, (M), Myanmar, (S) Srilanka, and (T) Thailand. It was decided to include two other countries Nepal and Bhutan, the membership of the BIMSTEC would become more varied geographically.

Economic Significance

The SAARC (South Asian Association for Regional Cooperation) was also conceived for the purpose of regional cooperation, but couldn't deliver the expected results due to the hostile attitude of India and Pakistan, a necessity was being-felt to enhance trade links among the countries. The BIMSTEC serves the purpose, except Pakistan all other SAARC members have decided to join the BIMSTEC.

The BIMSTEC agreement aimed to create a free trade zone where tariffs would be brought down to zero by 2012. Bangladesh and Myanmar, the two least developed countries of the forum given extra time to drop their tariff rates to zero levels by the year 2017. This agreement opens new vistas for economic and commercial links amongst the member nations. It highlights the necessity of interdependence among member

nations in the presently fast globalized economy of the world. The BIMSTEC would facilitate improvement in the trade at the institutional and people level, most of the member countries are suffering from the menace of corruption, so the trade links at the institutional and private level positively result in enhanced trade links.

The reasons for the failure of SAARC could result in the Success of BIMSTEC, as most of the members of SAARC, except Pakistan, have joined BIMSTEC. The members of BIMSTEC realize well that to benefit mutually in emerging globalization, they are to support and cooperate with each other wholeheartedly. It is a fact that economic prosperity is a prime requirement for peace and tranquility in the region.

Furthermore, it is important that all the countries should strive not only for economic cooperation but also for the cultural and social links so that more closure and beneficial ties could take place.

Political significance

The BIMSTEC involves the countries of two regions, South and South-East Asia. With an aim of economic cooperation, exploiting the potentials available in the member nations, it provides a useful platform from a political point of view.

For the nations of South Asia, it provides an alternative framework for bilateral and multilateral cooperation other than SAARC.

The forum BIMSTEC is largely the result of the initiative is aimed at benefitting the trade links with India and other nations as well as to counter the rise of China, which is threatening the products of Thailand. India could also counter China's fast reaching products in the neighboring markets with BIMSTEC. The political benefits based on

the economic cooperation have a far-reaching impact and may result in more closure ties.

India has emerged as the fast-developing economy in the world today. India had closure ties and closure links with the BIMSTEC nations in ancient times, now with this agreement India got an opportunity to revive its past links with old partners. Moreover, with BIMSTEC, India could seize an opportunity to have better trade links, more binding political relations beyond SAARC. India is the largest member nation that could not only benefit itself but played a leading role by assisting other smaller nations for mutual benefit. The success of BIMSTEC depends mainly on the sincere and honest cooperation of the member nations, keeping aside the political differences if there exist any.