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# SSC in Statistics

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## Intra-Regional Trade in BIMSTEC

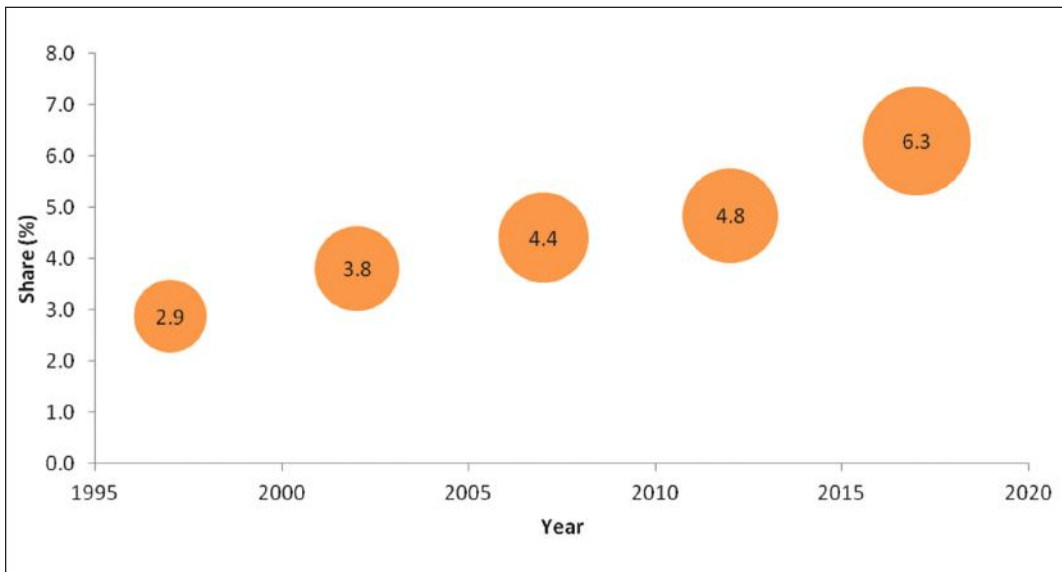
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*Sushil Kumar\**

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) was set up in June 1997 to foster socio-economic cooperation between Bangladesh, Bhutan, India, Sri Lanka, Thailand, Myanmar and Nepal (Bhutan and Nepal joined the bloc in 2004). It brings together 1.5 billion people constituting 21 per cent of the world population and combined GDP of USD 2.5 trillion (RIS, 2016). It was launched primarily as a combination of India's the then 'Look East Policy (now Act East Policy) and Thailand's Look West Policy. Developed as a sector-driven organization BIMSTEC identified 14 priority sectors where a member country takes the lead, viz trade and investment, energy, technology,

**Figure 1: Intra-BIMSTEC Trade as Share of Total BIMSTEC Trade (%)**



*Source:* Estimated from UN Comtrade database

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\* Consultant, RIS

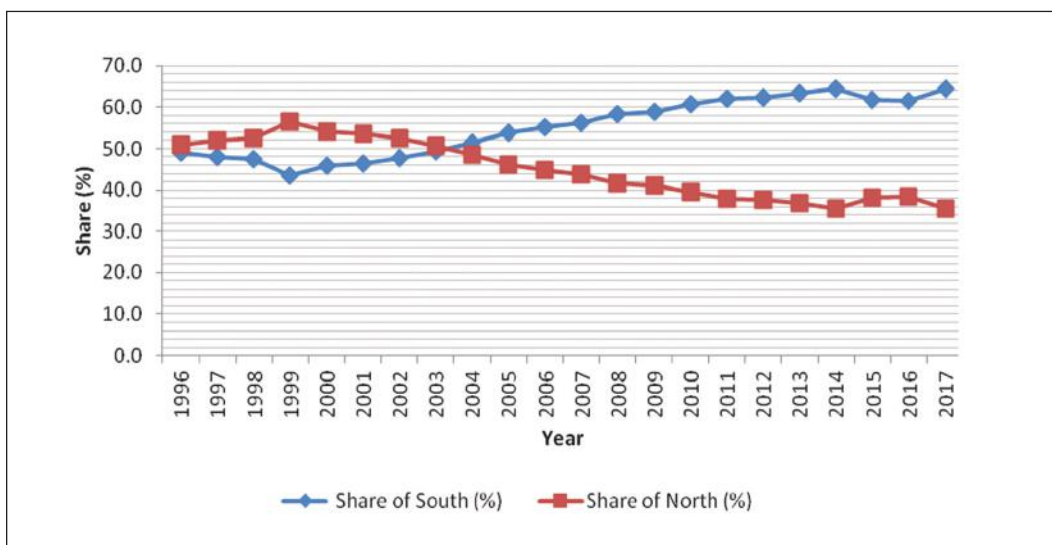
transport and communication, tourism, agriculture, fisheries, poverty alleviation, public health, counter-terrorism and transnational crime, environmental and natural disaster management, people to people connect, culture and climate change (RIS, 2016).

Since its inception in 1997, BIMSTEC countries have been able to sustain an average growth rate 6.08 per cent, despite global downturn. Total exports of BIMSTEC countries increased from USD 34.79 billion in 1997 to USD 574.78 billion in 2018<sup>1</sup>, whereas the imports grew from USD 41.43 billion to USD 867.12 billion during the same period. It is important to note that among the seven member countries two are a part of the ASEAN grouping, five are members of SARRC and six are member of SASEC (South Asia Sub Regional Economic Cooperation). Further, three are middle income countries (India, Thailand and Sri Lanka) and four are low income countries (Bhutan, Nepal, Bangladesh and Myanmar).

Intra-Regional Trade (IRT) in BIMSTEC has been increasing steadily since 1997 - from USD 2.19 billion in 1997 to USD 51.28 billion in 2017. Intra-BIMSTEC trade as share of total BIMSTEC trade has also grown from 2.88 per cent in 1997 to 6.29 per cent in 2017 (Fig. 1). It has not only posted better performance in IRT than that of SAARC, but also has signalled better performance during the period of recession (RIS, 2016).

BIMSTEC's improved trade performance is also reflected in intra-regional trade growth. During 1997-2017, IRT among BIMSTEC countries grew at a compound annual growth rate of 14.32 per cent (based on constant price 2010-11). It is important to note that the same for the EU countries and member countries of the North American Free Trade Agreement (NAFTA) grew at compound annual rate of 2.23 per cent and 4.30 per cent respectively over the same period. This perhaps suggests a growing incidence

**Figure 2: BIMSTEC trade to South and North as % of its Total Trade**



Source: Estimated from UN Comtrade database

of cooperation through trade among the BIMSTEC countries.

BIMSTEC's percentage of total trade with South (all countries who are not member of OECD) climbed from 49.16 per cent in 1997 to 64.33 per cent in 2017 while trade with North declined from 50.83 per cent in 1997 to 35.47 per cent in 2017 (Fig.2). During the same period the share of South-South trade in total southern trade increased from 40.17 per cent to 56.14 per cent.

## Endnotes

- <sup>1</sup> Trade data of Bhutan and Nepal is from 2004 onwards (Bhutan and Nepal joined the BIMSTEC in 2004)

## Reference

Research and Information System for Developing Countries (RIS). (2016). *BIMSTEC: The Road Ahead*. RIS, New Delhi.

## PEACE & DEVELOPMENT: RWANDA'S DEVELOPMENT THROUGH ENDOGENOUS SOLUTIONS

Rwanda – once written off as a 'failed state' after the 1994 genocide – today is one of Africa's fastest growing economies. Eight years after the genocide and the seizure of control by the Rwandan Patriotic Front, the Rwandan Government chose to undertake a customary based system for trying genocide cases called 'Gacaca' rather than approaching the International Criminal Tribunal for Rwanda. The decision was driven primarily by the high cost of approaching the ICTR and the need to heal the society. Gacaca is a community-based dispute resolutions mechanism focused on strengthening reconciliation.

Similarly, other endogenous or home-grown solutions were adopted by the Rwandan Government to put the country on its current growth trajectory. 'Umuganda' – a practice of self-help and cooperation – was adopted to construct and rehabilitate schools, medical clinics and infrastructure for inclusive people centric development. 'Imihigo/ Umuhigo' – a decentralised programme that empowers the local levels of government with the central government ensuring accountability – was adopted as the national policy to improve governance and achievement of targets. 'Umushyikirano' – a mechanism for knowledge and ideas exchange – was established as a national dialogue for participatory governance.

These solutions draw from the indigenous systems of Rwanda, are tailored to the needs of the country and its people, and aim to ensure inclusive development to overcome the societal fragmentation. Rwanda's experience stand as a unique practice in post-crisis reconstruction and reconciliation and its experiences can be shared for 'fragile-to-fragile cooperation'.

*Source:* Mayar, H.U. R. (2019). Inspiration: Rwanda's transformation through home-grown solutions. UNOSSC, April 8. Retrieved from: <https://www.unsouthsouth.org/2019/04/08/inspiration-rwandas-transformation-through-home-grown-solutions/>