

An outlook of BIMSTEC as emerging trading Bloc in Asia- A Literature Review**Gurpreet Kaur¹,**

Research Scholar,

Lovely Professional University, Punjab, India,

Dr Jasdeep Kaur Dhani²

Professor,

CT Institute of Management and Information Technology,

Jalandhar, Punjab, India

Abstract:

BIMSTEC was established in 1997 as an expression of the merging of economic welfares with India's Look East strategy and Thailand's Look West strategy. The paper is an attempt to review the available literature on BIMSTEC Region. It covers the economic as well as political factors such as trade, investment, economic cooperation etc. The objective of BIMSTEC was to integrate the states on both sides of the Bay of Bengal. It cover the one fifth of the world's population, comprising nearly a third of its poorest members. The BIMSTEC member countries are demographically undeveloped, politically growing and ethnically assorted. The inter-regional alignment of BIMSTEC meant to serve as a bridge among the five SAARC nations and two ASEAN nations. BIMSTEC objectives stretch from construction of economic and social prosperity based on equality, to development of mutual benefits in economic, social and technological aspects.

Keyword: BIMSTEC, Trade Agreements, Investment, Economic Cooperation, Political.

Introduction:

Regional collaboration is a stepping stone for economic integration in a geographic region. It might be market determined integration with no some explicit accord implying that personal zone is energetically engaged in bringing convergence between the economies. Economic integration might also be pursuing through cooperation agreements between the nations of the region which are mostly policy induced integration. Several regions across the world are engaged in inclusive economic corporation agreements. Balassa (2006) defines economic integration as a 'process' and as a 'state of affairs'. Regarded as a process, it encompass measures designed to abolish discrimination among economic units belonging to different national states. Viewed as a state of affairs, it can be represented by the absence of various forms of discrimination between national economies. The more frequent used forms of agreement are Preferential Trade Area, Free Trade Area, Custom Union, Common Market, Economic Union, and Economic Integration. Different forms of integration represent different level of integrations (Cherunilam, 2006). The number of RTAs signed among developed and developing nations has enlarged over the years. The European Union played a key role in this respect through a chain of agreements with number of countries including Turkey, Mexico, South Africa and Chile. The EU is the largest trading bloc worldwide. More than half of the trade now occurs within actual or prospective trading blocs. More than one third of world trade already takes place within the existing Regional Trade Agreements (Cherunilam, 2006). The history of economic integration starting with the formation of European Union, the European Free Trade Association, the North American Free Trade Area, and the Southern American Common Market. And after that economic integration among developing nations and among republic of the former Soviet Union came into force (Salvatore, 2004). As quoted by Cherunilam (2001), economic integration covers several kinds of arrangement by which two or more countries agree to draw their economies closer together. All of the agreements have one

common features and the use of tariffs to discriminate against goods. Various features for integration are that tariffs are used to discriminate among different countries. This type of discrimination is achieved by according preferential treatment to the goods produced by the other member countries.

Regional economic integration between developing nations is advocated in the context of preferential and free trade arrangements, specialization, economies of scale and enlargement of markets, as most of these countries cannot attain in isolation. Unlike the accomplishment of economic integration among the developed nations, regional groupings in the developing world are by and large successful, barring the ASEAN which is often commended as a model of Third World regional cooperation. The SAARC, the other most important regional grouping in Asia but slow rate of progress in the SAARC was main cause for the formation of BIMSTEC in Asia. The BIMSTEC grouping, brainchild of Thailand, is a unique initiative in sub regional economic cooperation. It has the distinction of combining five geographically contiguous countries of SAARC with two of ASEAN, thus creating a vast scope for regional development. BIMSTEC is a relatively young organization among the various regional and sub regional grouping (Upreti, 2007). India is a part of various regional trading blocs exist in Asia. India is member of SAARC (South Asia Association of Regional cooperation), MGC (*Mekong-Ganga Cooperation*), and BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) as shown in figure. India's has trade relation with others regional trading blocs in Asia such as ASEAN (Association of Southeast Asian nations), ECO (Economic Cooperation Organization), ACD (*Asia Cooperation Dialogue*), GCC (Gulf Cooperation Council), and SCO (Shanghai Cooperation Organization).

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is an international organization linking a cluster of nations in South Asia and South East Asia. These are: India, Thailand, Bangladesh, Myanmar, Sri Lanka, Bhutan and Nepal. The Bay of Bengal is a bay that forms the north-eastern part of the India's oceanic. It resembles a triangle in form bordered by India, Sri Lanka, Bhutan, Bangladesh, Myanmar, Thailand, Malaysia and Indonesia. In 1990s these countries determined to get engaged in a regional corporation with a view to attain superior economies of scale in production, achieve specialism, boost competitiveness, expand export basket and make exploit of their under-utilized economic impending in terms of human being, technological and natural resources with lesser potential of back-sliding. On 6 June 1997, a new sub-regional alliance was created in Bangkok and given the name BIST-EC (Bangladesh, India, Sri Lanka, and Thailand Economic Cooperation). Myanmar present at the foundational June gathering as an spectator and connected the organization as a complete member at a Special Ministerial conference held in Bangkok on 22 December 1997, upon which the name of the alliance was changed to BIMSTEC. BIMSTEC was initiative with the objective to merge the 'Look West' policy of Thailand and ASEAN with the 'Look East' policy of India and South Asia. So BIMSTEC can be explaining as association among ASEAN and SARRC. The uniqueness of BIMSTEC is in multi-sectoral approach compared to other Asian blocs. Seven members of BIMSTEC cover up fourteen main concern sectors escort by member nations in a voluntary approach, i.e., Trade & Investment, Technology, Energy, Transport & Communication, Tourism, Fisheries, Agriculture, Cultural Cooperation, Environment and Disaster Management, Public Health, People-to- People Contract, Poverty Alleviation, Counter-Terrorism and intercontinental Crimes and Climate Change. The main thing that makes BIMSTEC dissimilar as of other organizations is that BIMSTEC represent one of the most varied region of the world, be it the way of life, religion, language, or culture. BIMSTEC has visibly recognized issues of development and common concern into fourteen main concern sectors which covers a diversity of facets of 'development' and the issue of general concern like counter-terrorism and intercontinental crime. BIMSTEC is playing vital role to attractive a significant trade bloc in Asia-Pacific. India played a chief role by integrates trade and investments as promote economic cooperation. The northeastern states of Mizoram, Nagaland, Assam, Arunachal Pradesh,

Meghalaya, Sikkim, Tripura and Manipur are enclosed by Bangladesh, [Myanmar](#) and [Bhutan](#), and are essential to the BIMSTEC proposal. BIMSTEC is exclusive proposal in the sense its association consists of nations from mutually South and Southeast Asian regions. The initial level of meeting in consolidation of liberalization profit is expected out of this initiative considerate that both SAARC (South Asian Association for Regional Cooperation) and ASEAN are at diverse levels of progress.

India's keen desire to promote regional cooperation in the South Asian region had been fulfilled after obtaining membership in regional grouping of the BIMSTEC. India's role is pivotal in the evolution and growth of BIMSTEC regional grouping. The Bay of Bengal space has emerged as an integral and inseparable part of India's evolving Look East policy. East of India bordering the Bay of Bengal has been traditional gateway to the hinterland of Southeast Asia and beyond. There are strong civilization, ethnic, cultures, linguistic, economic and political link with Southeast Asia, which has developed as imperative of interdependence through ages. The security, strategic and economic interest of Indian Ocean region, including the Andaman and Nicobar group of Island are also very closely linked to the Southeast Asian region surrounding it. India now growing and considerable commerce with East and Southeast Asia passes through sea lanes in this sub region. About two third of India's exclusive economic zone and economic space in this region is estimated to be excess of the combined size of BIMSTEC economies. The Bay of Bengal sub region accounts about 10 per cent of India's external economic relation. India has to anchor the peace and prosperity of sub region for common good and interdependent destiny. India as largest country has the responsibility to initiate more effective and proactive measures to hasten cooperation, including by developing enduring and mutually beneficial trade, infrastructure, investment and other linkage, which alone create and sustain a vested interest in sub regional cooperation. BIMSTEC nevertheless, is a modest experiment in pragmatic politics and realistic economics in a fiercely competitive globalized and rapidly changing environment, it is an experiment aimed at achieving incrementality without having to redefine or recorder existing arrangements, it is an experiment to forge an arrangement to optimize step by step, opportunities through cooperation in select identified areas and make up for missed opportunities, it is an experiment in moving forward without waiting all political or economic challenges to be overcome, it is above all a modest experiment in promoting sub regional cooperation, optimizing synergies, complementarities and advantages of shared geography and history. Ultimately, the Bay of Bengal community has to be seen as a sub regional building block of a larger Asian economic community and the emerging macro level integration process (Devi, 2007).

Review of Literature:

Role of Trade Agreements in BIMSTEC Region:

BIMSTEC has a potential to enhance the trade between member countries by taking benefit of their geographical position in the region of the Bay of Bengal and the Eastern coast of the Indian Ocean. A number of initiatives towards intra-regional trade liberalization among individual associate nations of BIMSTEC under bilateral and regional trade agreements have been undertaken in the earlier period. Agreements between BIMSTEC nations:

Table No. 1: Trade Agreements Among BIMSTEC Nations.

Country's	Agreements (Bilateral and Multilateral)
India-Sri Lanka	Free Trade Agreement (FTA)
Thailand- Myanmar	ASEAN FTA
India- Thailand	FTA
SAARC nations	South Asia Preferential Trade Agreement (SAPTA)/ South Asian Free Trade Area (SAFTA)
India, Sri Lanka, China, Bangladesh	Bangkok Agreement
India, Nepal and Bhutan	FTA

Source: BIMSTEC.org

Mutual cooperation in numbers of area in the BIMSTEC region are more or less covered by India bilateral economic relations with individual economy and this foster the rate of economic growth by tapping regional synergies. Mehta (2002) investigated a study related to some issue with the establishment of free trade arrangement among BIMSTEC countries. Study exposed that Free trade agreement (FTA) between BIMSTEC nations lead to trade creation rather than trade diversion. Trade creation more assistance to member's countries than to non-members of FTA. In the case of demand and supply responsiveness trade creation was superior. Some countries were more open economy but few BIMSTEC nations still follow the QR (Quantitative Restrictions) regime. The trade under FTA of India, India exports from Sri Lanka accelerated after 1990. India's exports to Bangladesh had been moderately diversified but the share of some particular products was very large. Myanmar was single country among BIMSTEC group in which India had a trade deficit. India trade relation with Thailand had been diversified but India had been exporting more than its imports from Thailand. India had export competitiveness as compared to other BIMSTEC countries. Banik (2006) explored a study on Bay of Bengal Initiative for Multi sectoral Technical and Economic Cooperation economies (BIMSTEC) promised to form a free trade area (FTA) and analyzed was based on some indicators such as price, income, geographical characteristics and trade, economic structure. There were constructive indications for the BIMSTEC economies to thrive into a successful Regional Trade Agreements (RTA). To form a FTA, it was expected to generate relative advantage for the member nations. Better economic cooperation between BIMSTEC member nations has vital implication in the form of bigger market economies of level of production, and better resource distribution. Bhattacharya and Bhattacharya (2006) acknowledged a study on prospects of regional cooperation in trade, investment and finance in Asia: an empirical analysis on BIMSTEC countries and Japan. The study focused on BIMSTEC seven nations trade, investment, and finance trends and patterns with Japan and also analyzed the trends and patterns of bilateral and sub regional economic cooperation in Asia as well as BIMSTEC and Japan trade. Japan is the second biggest trading partner for BIMSTEC countries. Being a part of regional agreements trade and investment among the members of BIMSTEC together with Japan increased appreciably over the years. Study concluded that Japan being the part of FTA (Free Trade Agreements) with BIMSTEC, growth in exports to BIMSTEC countries was much superior to imports, which indicate Japan was more beneficiary being the part of free trade area with BIMSTEC. BIMSTEC and Japan cooperation encourage a suitable financial integration procedure that takes into account diverse states of growth of associated economies, predominantly banking and financial sectors, capital account systems, exchange rate systems, and bond markets. Bhattacharya (2007) discussed the

case for Free Trade Arrangement, BIMSTEC-Japan economic cooperation for promoting intra-regional trade. With the formation of Preferential Trade Agreement and Free Trade Agreement between BIMSTEC nations and Japan, the intra industry trades grow much faster and hope to catch the level of ASEAN trading bloc. The intra industry trade among BIMSTEC nations India, Thailand, Sri Lanka and Myanmar had been increased over the period of year but the intra industry trade of Nepal had decreased with the formation of FTA with Japan. Leela (2007) examined a study on evolution of BIMSTEC towards a Bay of Bengal economic community. Study pointed out that BIMSTEC free trade agreement was a comprehensive arrangement covered the trade in goods as well as in services, investment and provide a framework for trade liberalization and all sectors. FTA also exploits the potential of economic integration in the Bay of Bengal region. The study suggested that for the successful promotion of mutual cooperation in the BIMSTEC region required speedy development of transport and communication linkage, exchange of information, progress in science and technology and enhanced technical cooperation was essential for growth and development of member nations. Rao and Rao (2007) studied a re-envisioning on India and Myanmar relations. Study stated that India made several efforts towards sub regional, cross regional and bilateral regional trading arrangements. Myanmar built the bridge to South-East Asia an India hopes to transform northeast from security into land of economic opportunity. Among the BIMSTEC nations India is fourth largest trading partner of Myanmar and India is Myanmar largest export market, accounting for nearly one fourth of its exports. Myanmar is the only Southeast Asian nation which India shares both land and maritime boundaries. And India has emerged as largest market for Myanmar. Study also revealed that economic cooperation with Myanmar lead to economic development of India's northeastern states because Myanmar provides the shortest links to Southeast Asian markets by air, land and sea that promote the intra regional trade among BIMSTEC nations. Strutt (2008) described a dynamic analysis of probable impact on BIMSTEC with Japan free trade area. Study revealed that the BIMSTEC economies were predictable to considerably raise their share of global GDP as well as global exports and imports. If BIMSTEC free trade area included the Japan as member then it will lead to momentous gains of output, welfare and exports for both BIMSTEC and Japan. Japan plays a vital role to increase the resource base and trade ability of BIMSTEC economies. ODA and FDI flows from Japan benefited the BIMSTEC nations for creation of trade.

Economic Cooperation among BIMSTEC Economies:

Economic integration within regional trading blocs adds the significant value to increase economic growth, trade, investment etc. Devi (2005) examined a study on trends and prospects of BIMSTEC economies and economic cooperation of Japan. Study explored that with the economic cooperation with Japan of BIMSTEC nations all BIMSTEC nations registered a significant improvement from the 1995 onwards and Thailand experienced a tremendous growth in trade from the period 1990 to 2002. India's export orientation was above unity in the former period, indicated a promise for future expansion of Indian exports. Study pointed out that economies of India and Japan are highly complementary in terms of factor endowment, capabilities and specializations. With the economic cooperation of Japan and India, BIMSTEC nations expand their trade with rest of the world and it benefits the economies of whole Asia in the coming years. Chetty (2007) discussed an India's role in BIMSTEC and its problems and prospects. The study described that India had reached a milestone in its participation in the BIMSTEC process when BIMSTEC free trade agreements signed. The framework agreement BIMSTEC-FTA covered trade in goods, investments and services. Enhancement of interaction among the member nations and identification of six core areas of cooperation lead to economic growth within BIMSTEC. Murthy (2007) investigated study on regional economic arrangements and understanding the growth of BIMSTEC. The study had described that regional economic arrangement integrates national economies into a large economic region. And it involves the removal of trade impediments and

establishment of coordination among the countries concerning trading bloc. BIMSTEC was formed to focus the area of economic growth and upgrading the interaction among the member nations. The member nations has desirous to expanding their international trade, focusing on export oriented liberalization, attracting FDI, and liberalizing their own economies, looking at new technology all led to economic development of member nations. Murty et.al (2007) acknowledged a study on possibilities of cooperation in BIMSTEC countries. The study concluded that to achieve high level of economic integration within BIMSTEC nations, identify the potential areas of trade and economic cooperation for individual economy and reduce the poverty and high mortality rate to promote the economic cooperation among nations. Study stated that among the BIMSTEC nations India and Thailand both lead in merchandise trade and Sri Lanka and Bangladesh appear as the important exporters of manufacturing goods in the BIMSTEC region. Reddy (2007) conducted a study on challenges and opportunities for BIMSTEC. The study had revealed that India's bilateral and multilateral agreements with BIMSTEC help to closer economic relation and expand the trade. BIMSTEC region had a rich potential for economic cooperation, arising from substantial complementarities existing between economic structures and factor endowments of the member nations. Through regional integration, BIMSTEC made a good beginning with establishing a Free Trade Area (FTA) and exploit the resources available within nations. It also promotes the trade and investment facility among BIMSTEC nations. Upreti (2007) pointed a study on development of BIMSTEC, its nature, direction, challenges and issues. The study described that BIMSTEC alliance basically economic in nature and confined itself to economic growth and social issues. BIMSTEC has given major importance to intra regional trade and accepted to taking the trade facilitation for the enhancement of regional trade. Study demonstrated that BIMSTEC nations offer vast scope for the cooperation in the field of trade, investment, hydropower generation, natural gas etc. and Free Trade Area agreements play vital role for the development of trade among the member nations. Chowdhury and Neogi (2013) analyzed the economic overview of BIMSTEC countries over the period of 1997-2011. Study had revealed that the economic performance of the BIMSTEC economies was widely influenced by three major factors i.e. external impacts, policy responses, and structural factors. To evaluate the performance of BIMSTEC nations, macro economics indicators such as GDP, Inflation, Agriculture, Industry, Service Sector, and Unemployment Rate was considered over the period 1997-2011 among BIMSTEC economies. According to the observation the cooperation among the BIMSTEC nations across the world may lead to take interest in respect of the South-East Asian region. The scope for investment by the corporate in this region also increased year by year. Study had also revealed that in future, south and south Asia region has an opportunity to increase the business among the BIMSTEC countries. Asher and Sen (2006) explained the role of Japan in BIMSTEC. Study stated that BIMSTEC included India, a country with economic potential to provide Japan and other group members with sustained economic opportunities and risk diversification. Bilateral merchandise trade linkages between BIMSTEC and Japan had been largely fuelled by Thailand. Japan was Thailand's second largest trading partner and Thailand's biggest import source. Study also explored that the trade of service sector between BIMSTEC and Japan increased over the years and trade flow of Japan concerned with two major BIMSTEC nations i.e. Thailand and India. BIMSTEC and Japan economic cooperation provided significant mutual gains for both parties in trade and other sectors also.

Political aspects of BIMSTEC Economies:

The political welfares based on the economic cooperation has far reaching effect that result into closer links of BIMSTEC than SAARC. Today, India emerged as fast developing economy in the world. Shrivastava (2005) stated a study on BIMSTEC and their long term political implication for India. The study examined that BIMSTEC was well planned strategy for India and also the extension of Look East policy. After the globalization when India's economy was liberalized itself, the BIMSTEC was formed for extension of trade relations. BIMSTEC was complement for SAARC to promote a free trade area in South Asia. BIMSTEC members recognized the importance to create air, sea and land linkage. Being the member of BIMSTEC, India was in a better position to deal with Chinese ambitions. And prevent India from emerging as a rival Asian power. Being the BIMSTEC members, India's also able to tackle the major problem of terrorism. India adopts a multi pronged approach to tackle the problem of terrorism. BIMSTEC made India to become the energetic parts of international politics. Chandrasekha and Rao (2007) explored a study on political and foreign policy perspectives of BIMSTEC. The study pointed out that to achieve the state of economic integration among the BIMSTEC nations focused on their energies of liberalization and economic reforms of member nation's economy rather than its political issues such as border problems etc. Most of BIMSTEC nations had adopted the outward policy after 1990s that had resulted the faster economic growth among the nations. Vanajamani (2007) discussed a study on India's political economic relation with some BIMSTEC nations. With the economic integration among the BIMSTEC nations, the South Asian nation's exports of services had been grown especially commercial services export show significant growth. In case of Sri Lanka, commercial service exports had made vibrant growth in total exports and Bangladesh made remarkable increase its share of export in transport sectors. But from the observations or evident the trade performance of BIMSTEC countries at the global level had been miserable in relative sense and India play an significant role to be future cooperation in South Asia in general and BIMSTEC in particular.

Role of Trade and Investment in BIMSTEC Region:

BIMSTEC strategies has been made with such a way that encouraging the national and regional interests at a multilateral level. Through this platform, the BIMSTEC economies attract international support and cooperation for developmental projects and productive economic strategies. Chakraborty (2007) discussed a study on India's new regionalism in Asia: look East and BIMSTEC interface. The study stated that India had taken holistic view about the emergence of BIMSTEC in context of new global order, particularly its Look East thrust. Thailand play important role to speed up the pace of trade liberalization and economic cooperation within BIMSTEC. Being a member of BIMSTEC and India's outward orientation process lead to increase the India's trade with APEC economies. Chakraborty (2007) analyzed a study on trade performance and integration experience of BIMSTEC. The study observed that the intra bloc trade in final products and trade in intermediate products increased within BIMSTEC nations which increased the possible production integration among the BIMSTEC nations. Study revealed that removal of tariff and non tariff barriers, and implementation of the trade facilitation significantly contributed to increase the trade among BIMSTEC economies. Kumari (2007) analyzed the study on gender mainstreaming in trade policies in BIMSTEC. The study stated that system for trade development and governance in BIMSTEC insist the centrality of the market forces above person, communities and government promote the rights of business sector overthrow the people, communities and states. And woman played a significant role in trade liberalization but trade policies trends for woman still debatable in these nations. Devi (2007) examined the study on economic cooperation in BIMSTEC and its emerging trends and prospects. Study analyzed that there was significant change in the trade orientation of BIMSTEC nations from 1990s and most of them exhibited a higher outward

orientation. The relevance of the regional bloc in enhancing the trading and investment patterns and analyzed the existing socio economic performance of individual member nation. With the formation of BIMSTEC trading bloc, majority of South Asian countries were able to improve their export competitiveness to some extent in international market and FTA under BIMSTEC umbrella help to expand the size of market in international market of member nations. Mukherji and Paswan (2007) explored study on trade and investment opportunities of India in BIMSTEC trading bloc. Study highlighted that for the growth of intra regional trade brought the trade potential at sectoral and product level under fast trace liberalization. Manufacturing units added the impetus to India's intra industry trade. For the growth of India trade in BIMSTEC manufacturing units plays vital role and expand the trade. Nag and de (2007) discussed a study on Asian integration process and BIMSTEC. BIMSTEC made the bridge between South Asia and South East Asia. BIMSTEC had a potential to increase the trade among member countries by enchanting gain of their geological location in the state of the Bay of Bengal and the Eastern coast of the Indian Ocean. FDI come from Asian countries together with Japan may help in overcoming many problems in a bloc. For the encouragement of the trade key sectors were recognized by the bloc (BIMSTEC) and trade facilitation take serious concentration by the BIMSTEC nations. In field of transport and infrastructure BIMSTEC helps the Asian integration process giving important focus on cross border infrastructure growth and also make investment demand in key sectors preferred by BIMSTEC nations. Ramachandrdu et.al (2007) revealed a study on the Asian drama of BIMSTEC, SAARC and ASEAN countries. The Asian drama for the Formation and sustained the regional alliances of BIMSTEC, SAARC and ASEAN was well in tune with the fast changing global scenario. It had increased coordination and cooperation between the major Asian economies which is essential to manage the global challenges and enhance Asia's role in world trade and affairs. India's look east policy play vital role to built economic integration with rest of Asia. Gilbert (2008) revealed a study on trade cooperation between BIMSTEC and Japan along with poverty in Asia. Study concluded that Japan's trade with other BIMSTEC economies, away from Myanmar, was usually lesser than too expected given their size in world trade. Accomplishment of a free trade agreement between Japan and BIMSTEC begin with modest overall economic impact, by the primary recipient being Thailand. The trade trends point toward that the corresponding in the region by Japan had been expanded over the time. For the welfare distribution in BIMSTEC economies, there was need for BIMSTEC and Japan cooperation to encourage agreement in all of the target areas. Wijayasiri and Mel (2008) focused on the study BIMSTEC and Japan cooperation in trade and investment from Sri Lankan perspective. Sri Lank continues to look for increased diversification of export market which presently concentrated in Europe and the USA. Japan was a chief trading partner for mutually as a source of imports and destination of exports and Japan act as a channel that enhances rivalry in the BIMSTEC region and for promotion of quality and standards of production and service supply in the county. The high transaction costs to trade in the state, the necessitate enhanced infrastructure, reduction of NTBs (Non-Tariff Barriers) and the coverage of the agreement were the main issue for the BIMSTEC and Japan corporation. But still Japan may well play a key role in boosting economic cooperation in BIMSTEC. Kabir and Salim (2010) examined the study on Bay of Bengal initiative for multi sectoral technical and economic corporation applying a gravity model. The study analyzed that the share of intra-BIMSTEC trade not enough in the world trade. The main import sources and export destinations of most of the BIMSTEC countries still from outside the bloc. And results of study revealed that the GDP and governance of both importers and exporters positively influence the bilateral trade, positive effect of BIMSTEC in members exports had been found, which indicates a strong evidence of positive trade response to the bloc even before the forming an FTA. Saxena and Bhadauriya (2013) examined a study on an analysis of India's trade performance and prospects with BIMSTEC nations. The two BIMSTEC nations Sri Lanka and Thailand were the leader partners of India in context to both import and export. India's best trading partner was Sri Lanka because Thailand had adverse trade with India. For the growth of export India must identify the potential

products which can drive Indian export to export market. In context to imports, India imports from Thailand were high. Stronger relation between India-BIMSTEC means more steady and affluent Asia.

Conclusion:

BIMSTEC brings together 1.5 billion people, 21 per cent of the world population, and a combined GDP of over US\$ 2.5 trillion. All member of BIMSTEC bloc has common history, culture and commercial ties with each other. The BIMSTEC nations contain both Developing Nations and Least Developing Countries (LDC's). The BIMSTEC comprises the nations from two regions i.e. South and Southeast Asia with intention of economic cooperation, exploiting the potentials resources in the member countries that provides a beneficial platform from political view point for emerging India. The important fact for development is economic prosperity for peace and tranquility in the bloc. The BIMSTEC member nations well understand that to assistance mutually in emerging globalization, there is need to maintain supportive and cooperative relationship with each other. Moreover, it is essential that all member nations should struggle not only for the economic cooperation, but also for the cultural and social associations so that more closure and valuable ties take place. BIMSTEC are also progressively changing as strategic groupings of much influence decided to boost cooperation in many areas, particularly through a Free Trade Agreement in a bid to increase intra-regional and inter-regional importance. The growth of cooperation has been appropriate with time as it amplified from technical and economic aspects to contain aspects such as culture, climate and security. The prominence of BIMSTEC is naturally important for the smaller economies such as Nepal, Bhutan, Bangladesh and Myanmar, who positively necessity a path such as BIMSTEC to fulfil their economic development goals, but more significantly, in context of the emerging power struggle in Asia.

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