

FIFTH BIMST-EC SENIOR OFFICIALS' MEETING

REPORT OF THE FIFTH BIMST-EC SENIOR OFFICIALS' MEETING (COLOMBO, SRI LANKA 18 – 19 DECEMBER 2002)

1. The Fifth BIMST-EC Senior Officials' Meeting (SOM) was held from 18 to 19 December 2002, in Colombo, Sri Lanka.

2. The list of participants from Bangladesh, India, Myanmar, Sri Lanka and Thailand is at annex I. Nepal participated in the SOM as an Observer and attended its Open Session.

3. Inauguration of the Meeting

The Fifth BIMST-EC SOM was inaugurated by His Excellency Tyrone Fernando, Minister of Foreign Affairs of Sri Lanka. The text of the inaugural address is at Annex II.

4. Agenda Item 1: Election of Chairman and Rapporteur

The SOM elected by acclamation the leader of the Sri Lanka Delegation, Mr. Nihal Rodrigo, Secretary, Ministry of Foreign Affairs, as Chairman. Myanmar thereafter handed over the Chairmanship of the SOM to Sri Lanka. Mr. Dinkar Asthana of the Delegation of India was elected as the Rapporteur of the SOM.

5. Agenda Item 2: Adoption of the Agenda

The Agenda as amended was adopted by the SOM and is at Annex III.

6. Agenda Item 3: Organization of Work

The meeting took note of the schedules and arrangements for the Fifth SOM. The Programme of the Fifth SOM is at Annex IV.

7. Agenda Item 4: Consideration of the Report of the Economic Forum, including discussion on the ESCAP Studies:

- i. Prospects for BIMST-EC Co-operation in textiles and clothing following the abolition of the Multi-Fibre Arrangement: and
- ii. Trade facilitation amongst BIMST-EC Countries.

The Economic Forum Report was presented by its Chairperson (Sri Lanka). The SOM acknowledged the work of the Economic Forum.

The valuable contribution of the private sector in BIMST-EC activities was greatly appreciated. In this context, the SOM welcomed action being taken to set up a

BIMST-EC Chamber of Commerce in order to promote greater interaction among the private sectors in the region.

The SOM strongly endorsed the proposal of the Business Forum to promote greater networking through tele-conferencing, use of the internet and web-site etc.

While welcoming the private sector's proposal to encourage the free flow of business travel within the BIMST-EC region, it was noted that the issue of visas would be subject to the existing national immigration regulations.

With a view to harmonizing positions at multilateral negotiations, the SOM recommended that their Permanent Representatives to the WTO in Geneva be requested to hold more regular consultations. It was further proposed that the Trade & Economic Ministers focus on this issue as it is within their direct purview.

The SOM welcomed the action by the Expert Group of Processed Food to establish a Federation of the Food Processors' Associations and Chambers in the region. The SOM encouraged the Chambers of Commerce to continue their efforts in this regard and requested member States to provide the required political backing.

The SOM noted the position of the Economic Forum with regard to the ESCAP study on the Prospects for BIMST-EC co-operation in Textiles and Clothing, following the abolition of the Multi Fibre Arrangement and the concept paper for undertaking a study on Trade Facilitation amongst BIMST-EC countries.

The Report of the Economic Forum is at Annex V.

8. Agenda Item 5: Consideration of the Report of the Chairman of the Working Group

A Report on the BIMST-EC Working Group Meetings held in Bangkok, since the Fourth BIMST-EC Ministerial Meeting in December 2001, was presented by Myanmar, as the Chair. The SOM was appreciative of the action taken by the Working Group, and since the contents of the Report had relevance to agenda item 6 dealing with the future direction of BIMST-EC, the Report was considered under that agenda item. A copy of the Report of the Working Group is at Annex VI.

9. Agenda Item 6: Future Direction of BIMST-EC

Considering the urgent need to invigorate the BIMST-EC process, the SOM frankly and freely discussed the current state and future direction of BIMST-EC, and recommended the following in particular, for decision by the Ministerial Meeting :

- that some form of administrative and organizational support mechanism was necessary to co-ordinate BIMST-EC meetings and programmes as well as project formulation and implementation at this stage its development. The

SOM noted the Concept Paper on the BIMST-EC Secretariat prepared by Thailand.

- that while further discussion were needed on the financial and other implications of a full-fledged Secretariat, a viable immediate alternative be considered in the interim. It was proposed that a Technical Support Facility (TSF) or similar back up unit consisting of one or two dedicated professionals be set up in Bangkok to assist the Working Group.
- that the Working Group as well as closer co-ordination of its relationship with the SOM be strengthened.
- That the co-ordinating role of the BIMST-EC Chair be enhanced. Accordingly, the Chair country would set up a BIMST-EC co-ordination cell in the Ministry of Foreign Affairs to maintain regular interface with the national focal points in the member countries for follow up and monitoring of progress on implementation of decisions and projects.
- that the Working Group in Bangkok study the issue and submit a feasibility report, within three months, with recommendations covering financing of such a facility, its staffing, functions and other aspects. India offered to depute a suitable professional to the TSF if the concept is found to be feasible by the Working Group.
- that the Ambassadors, respectively of the current and next Chair country accredited to Bangkok attend all SOM meetings in the future, wherever they be held.
- that in order to facilitate action by the Working Group and the strengthening of its functions, member States designate Senior diplomatic staff in their respective Missions in Bangkok to be associated fully in BIMST-EC activities.
- that the Trade and Economic Ministers' Meeting be recognized as an integral part of the formal institutional mechanism of BIMST-EC.
- that the Trade & Economic Ministers be requested to co-ordinate the co-operative activities in the Trade & Investment sector, together with its sub-sectors as they are best placed to discharge this responsibility. It was felt that there may be a need to rationalize the sub-sectors identified for co-operation under the sector of Trade & Investment.
- that Sectoral Ministerial meetings particularly on Energy, Technology, Tourism, Transport & Communications etc, be convened as and when required.
- that the Ministers of Foreign Affairs continue to co-ordinate and provide overall policy guidance on all BIMST-EC matters.

- that focal points of BIMST-EC countries holding Expert Group meetings keep the Ministry of Foreign Affairs of the respective countries informed of their activities to facilitate closer co-ordination.
- that the Economic Forum evaluate and prioritize for implementation the recommendations of the sectoral and sub-sectoral Expert Groups.
- that at least two months prior notice be given for convening an Expert Group Meeting.
- that the quorum for Expert Group meetings as well as those pertaining to project formulation and implementation be three.
- that the progress reports of the sub-sectors be submitted to the Lead country of the Trade & Investment sector.
- that two priority projects per year in respect of each sector and sub sector be designated, while ensuring adequate financial resources for their implementation.
- that the Reports of sectors and sub-sectors focus on the practical progress achieved on the projects implemented during the preceding year, and also present an outline of future action proposed.
- that the recommended standard financial arrangement for participation in Expert Group Meetings is that the host country provide local hospitality for two persons, while the participating country bear the international travel costs of their delegates.
- that as it is imperative to raise the profile of BIMST-EC, both nationally and internationally, the Working Group outline a programme of action for this purpose by end March 2003.
- that budgetary authorities in Member States provide a special allocation for BIMST-EC activities to the respective Ministries of Foreign Affairs.

10. Agenda Item 7: Reports by Lead / Chair Countries on the Progress of the Sectors / Sub Sectors for co-operation.

The Lead and Chair countries presented the following progress reports on the respective areas of responsibilities, copies of which are annexed.

- Energy Sector (Myanmar): Annex VII
- Fisheries Sector (Thailand): Annex VIII
- Technology Sector (Sri Lanka): Annex IX
- Trade & Investment Sector (Bangladesh): Annex X
- Transport & Communication Sector (India): Annex XI
- Tourism Sector (India): Annex XII

- Automotive industry and parts Sub sector (Thailand): Annex XIII
- Banking Arrangements Sub sector (Thailand): Annex XIV
- Coconut and Spices Sub sector (India): Annex XV
- Drugs and Pharmaceuticals Sub sector (India): Annex XVI
- Gems & Jewellery Sub sector (Sri Lanka): Annex XVII
- Horticultural and floricultural products (Thailand): Annex XVIII
- Processed Food Sub sector (Sri Lanka): Annex XIX
- Rubber, Tea, Coffee (Thailand): Annex XX
- Textiles and clothing (Bangladesh): Annex XXI

The SOM urged the relevant countries to take early action to convene those sectoral and sub-sectoral meetings that have not been held since the last BIMST-EC Ministerial Meeting,

The convening of the following sectoral and sub-sectoral Expert Group meetings was announced:-

Fisheries – Thailand – 1st quarter of 2003

Trade & Investment – Bangladesh – 1st quarter of 2003 dovetailed with sub-sectoral meeting on Textiles & Clothing

Tourism – India – February 2003

Transport and Communication – India – meeting of the Chief Executives of the Railway authorities of BIMST-EC countries – March 2003.

Automotive Industry & Parts – Thailand – 2003

Coconut & Spices – India – Feb/March 2003

Horticultural & Floricultural Products – Thailand – 2003 (together with a Workshop on Cut Flowers)

Processed Food – Sri Lanka – August 2003

Rubber, Tea, & Coffee – Thailand End 2003

Textiles & Clothing – Bangladesh 1st quarter of 2003 (back to back with Trade and Investment)

Member States that have not yet provided data and other material for reports under the respective sectors and sub-sectors were requested to provide the information as early as possible.

11. Agenda Item 8: Discussion on Visit BIMST-EC Year 2003

Due to unfavourable regional and global developments since 2001, it was recommended that *Visit BIMST-EC Year 2003* be rescheduled to 2004.

12. Agenda Item 9: Draft Agenda for the Ministerial Meeting

The Draft Agenda for the Ministerial Meeting as agreed to by the SOM is at Annex XXII and the provisional programme Annex XXIII are submitted for consideration by the Ministers.

13. Agenda Item 10: Consideration of the Draft Joint Statement of the Ministerial Meeting.

The SOM considered the Draft Joint Statement for submission to the Fifth Ministerial Meeting. The text of the Draft Joint Statement is at Annex XXIV.

14. Agenda Item 11: Date and Venue of the 6th BIMST-EC Ministerial Meeting

The SOM welcomed the offer by Thailand to host the 6th BIMST-EC Ministerial Meeting in February 2004 in Chiang Rai.

15. Agenda Item 12: Other Matters

- The SOM discussed Nepal's application for membership. The SOM recommended that the Working Group formulate criteria relevant for the consideration of membership in BIMST-EC, and that its report be made available to member States by the end of February 2003. The criteria for membership would be considered at the next Inter-sessional SOM and its recommendations submitted to the BIMST-EC Ministers of Foreign Affairs for a decision on the application of Nepal.
- The Inter-sessional SOM Meeting would be held in Sri Lanka in September 2003, dates for which will be circulated at least 6 months in advance.
- The SOM noted that Sri Lanka would host the BIMST-EC Trade & Economic Ministers Meeting, postponed from 2002, in the first quarter of 2003. Proposed dates for this meeting will be circulated within 3 weeks.

16. Agenda Item 13: Consideration and adoption of the Report of the Senior Officials' Meeting

The SOM adopted the report of the Fifth BIMST-EC Senior Officials' Meeting.