Research Article

Energy Development Initiatives of India and Thailand under BIMSTEC: Progress and Dynamics

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Abstract
The oil crisis in the early 1980s has triggered the necessity of finding oil reserves among non-oil producing countries. India and Thailand are both oil consumption countries. Because of the rapid economic development and high vehicular fuel consumption, India has become one of the top five oil consumption countries in the world. Thailand though has less population but the demand for oil energy is still increasing. From the geopolitics perspective, Myanmar is a country with abundant oil resource that is located between Thailand and India, become a vital geo-economics subject for both countries. Bilateral cooperation, between India-Myanmar and Thailand-Myanmar attests the importance of Myanmar in both regards. By visiting Myanmar, India’s ministry of energy has strengthened the energy cooperation between India and Myanmar. Meanwhile, Thailand, as a natural gas consumer from both the Yadana and Yetakun, in the Gulf of Mottama or Arakan, Myanmar, has hiked up her import of natural gas from Myanmar. The agreements in the 1990s have resulted in the increase of oil imports to India and Thailand. The oil demand for both countries could lead India and Thailand into competitors. Thanks to the policy of energy cooperation between India and Thailand, their attempts are to build multilateral partnership in order to increase the capability to strengthen energy connectivity from Myanmar. By making the connectivity more convenient and efficient has led to the creation of BIMSTEC Gas Pipeline project. Myanmar as the energy leader in BIMSTEC has placed Thailand, Myanmar, India and other countries in the framework of cooperation. In the future energy will play an important role to strengthen the cooperation in BIMSTEC which highly oil consumption still continuously. This article aims to show that the cooperation like BIMSTEC can guarantee the energy dependence for Thailand and India in the future. It will also analyze their related policy formulation, such as the plan for an alternative energy security.

Keywords: BIMSTEC, Energy Security, Thailand, India, Myanmar

I. Introduction

Energy security has become a national interest since the oil crisis in the ’80s, including wars and insurgency in the Middle East. These lead energy to become a vital thing and the starting point of state’s economy, transportation, and infrastructure development. In the past 10 years, social sciences studies including international relations have significantly increased the studying of state energy polices. Mostly, focus on the foreign policies toward energy security of the superpower and the studies of conflicts caused by energy in various areas etc.

For current energy consumption, the United States is the most significant energy consumer, followed by China, Japan, and India. This forced these superpowers to have all energy-related domestic and international policies. These state efforts to gain secure access to energy resources without considerate the method of obtaining energy.

For example, the interventions of the United States in the Middle East crisis for energy interest and to import energy from US partners such as Saudi Arabia. In the case of China, the second - largest energy consumption in the world with oil domestic production, China’s policies besides aiming to

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import oil from the Middle East and Africa but also emphasize energy seeking policies, especially natural gas from the South China Sea Islands that lead to an effort for China to claims its ownership (i.e., the disputed areas are mostly occurred around the rich natural gas island). This situation imposed a threat to Japan’s energy policies. Japan who imports energy nearly 100% are forced to create the economic diplomacy by using the financial help as a tool especially Indonesia.

Pict. 1. Top 10 Petroleum Consumer
Source: U.S. Energy Information Administration (2020)

In India, the increase in population make India recently become the second largest population country in the world. As a result, it is continuously increasing consumption. It is forecasted that India population will overcome China in less than 10 years. Therefore, it is not surprising that India as the 4th power-consuming country being watch on how it’s the 21st century energy policy will be. We will see a limited number of articles about Indian energy when compared with China. But articles stereotype about India’s coal consumption still abounds in main academic works.

Thailand is a medium-sized country, located in Southeast Asia which consume more than 50 percent oil from the Middle East and the rest are energy from neighboring countries. The overall policy of Thailand is, therefore, quite sensitive toward oil crisis. As a result, Thailand’s long-term policy aim to promote the use of natural gas for electricity production to reduce fuel using. Thailand also has bought electricity from China and Laos through the hydropower dam project and purchased natural gas from Myanmar in the Mottama region. Thailand also joins investment with Malaysia in drilling oil and natural gas in the overlapping area of the two countries called the JDA (Joint Developing Area) in the Gulf of Thailand which operated for a long time. Thus, it shows that a small country, like Thailand, is changing and seeking for back-up energy as well (Chaipala, 2009).

In addition to ASEAN plus six, both India and Thailand are members of BIMSTEC-The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation which contain mutual energy cooperation by focusing on Myanmar as a leading energy country. This condition shows how significance of Myanmar as a center of energy for Thailand, India and other BIMSTEC member countries. Furthermore, states members foreseen on Myanmar potentials such location and abundant energy resources.

II. Energy Cooperation Initiatives of BIMSTEC

BIMSTEC was founded in 1997 to expand cooperation within country in the Bay of Bengal. BIMSTEC is an effort to create cooperation in similar geographic countries and expansion of natural resources and migrant workers between member countries. The member countries consist of Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand. All member states are located in areas of the Indian Ocean and the Himalayas, which are home of important resources such as oil, natural gas and hydropower dams, etc. (Prabir De, 2018)
a. BIMSTEC countries

BIMSTEC came into being through the Bangkok Declaration which objective to harness shared and accelerated growth through mutual economic and social. In the future, BIMSTEC member countries will continue to support each other’s development projects. However, BIMSTEC does not have a clear charter compared to ASEAN. There is only a Bangkok Declaration, therefore the government policy of the members proposed together is like the rules (De, 2020).

b. Establishment of BIMSTEC

In addition to creating economic cooperation, the founding of BIMSTEC also relies on the principle of the shared history of member countries as well as cultural affiliations. However, BIMSTEC has not made much progress in establishing cooperation between member countries. But there has been initial development on two issues. First, BIMSTEC established the permanent secretariat in 2014 in Dakar Bangladesh. Later, BIMSTEC was persuaded by the senior members in Goa State, India in 2016.

Cooperation issues specified in the 2nd Ministerial Meeting in Dakar Bangladesh (1998) which consists of 6 important issues: trade, investment, transportation, energy, tourism, technology, and fisheries. Recently, 14 more cooperation are expanding, such as agriculture culture, poverty reduction, prevention of transnational terrorism and transnational crime, environmental and disaster management, etc. All 7 member states will be responsible as followings:

<table>
<thead>
<tr>
<th>Issues</th>
<th>Lead country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; investment</td>
<td>Bangladesh</td>
</tr>
<tr>
<td>Technology</td>
<td>India</td>
</tr>
<tr>
<td>Transport</td>
<td>Bangladesh</td>
</tr>
<tr>
<td>Tourism</td>
<td>India</td>
</tr>
<tr>
<td>Fishery</td>
<td>Thailand</td>
</tr>
</tbody>
</table>

Tab. 1. BIMSTEC Cooperation Sectors
Source: National Intelligence Agency Kingdom of Thailand (2021)

c. BIMSTEC Cooperation

BIMSTEC is an alternative that uses strategic advantages to strengthen South Asia, Southeast Asia, and the Indian Ocean. Importantly, the Indian policy, Act East Policy, is the key to maintaining a partnership between South Asia and Southeast Asia. The first goal of BIMSTEC is a trade which recently accounts for 60% of the GDP of all member countries. Moreover, there are trade, investment, transportation, and communication cooperation. Recently, the national members of BIMSTEC are negotiating for free trade within member’s countries. The key success for this project is the establishment of a free trade area through border trade or cross-border trade (BIMSTEC FTA). Therefore, trade and investment in BIMSTEC depend on the member countries.

India is a member country with the most economic growth, followed by Thailand. However, Bangladesh, Bhutan, Nepal, and Myanmar contribute its only 6% GDP from 2011-2015. While other members still contribute little GDP which are Nepal, Thailand, and Sri Lanka even these countries
wholly embrace liberal capitalism. Thailand is a potential country that attract investment since 1990, followed by Bhutan, Nepal, Sri Lanka. However, in 2015, the country that has trade growth is Bhutan, Bangladesh, and India. Trade between BIMSTEC member countries has only 4.7%, while imports have only 3.3% show that member countries still trade less. BIMSTEC has encouraged member’s countries to bilateral trade, especially linking trade routes, convenient transportation, and shortening travel time.

This article will discuss only the cooperation between India and Thailand through the cooperation via BIMSTEC energy strategy. By focusing on the origin, the process, and progress of the energy direction. energy cooperation is not something new but come into being from the Bangkok Declaration in 1997 which all connected since the second meeting in New Delhi, India through the encourage from India and Thailand, which is the most potential member’s country. India has implemented the Look East policy toward Southeast Asia and East Asia. While Thailand proceed Look West policy since the post-Cold War era (Sornsri, 2020).

Tab. 2. BIMSTEC Energy Sector

<table>
<thead>
<tr>
<th>No.</th>
<th>Project</th>
<th>Partner</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Railways</td>
<td>Port</td>
<td>Logistics</td>
<td>Operating</td>
</tr>
<tr>
<td>1</td>
<td>Railways</td>
<td>Port</td>
<td>Logistics</td>
<td>Operating</td>
</tr>
<tr>
<td>1</td>
<td>Railways</td>
<td>Railway</td>
<td>Issuing of inland rail, phase 2</td>
<td>Operating</td>
</tr>
<tr>
<td>2</td>
<td>Railways</td>
<td>Energy</td>
<td>Power</td>
<td>Management of electricity, distribution</td>
</tr>
<tr>
<td>2</td>
<td>Railways</td>
<td>Energy</td>
<td>Power</td>
<td>Operating</td>
</tr>
<tr>
<td>3</td>
<td>Railways</td>
<td>Railway</td>
<td>Railway enhancement, phase 3</td>
<td>Operating</td>
</tr>
<tr>
<td>3</td>
<td>Railways</td>
<td>Railway</td>
<td>Railway enhancement, phase 3</td>
<td>Operating</td>
</tr>
<tr>
<td>3</td>
<td>Railways</td>
<td>Energy</td>
<td>Power</td>
<td>Operating</td>
</tr>
<tr>
<td>3</td>
<td>Railways</td>
<td>Telecommunications</td>
<td>Telecommunications network installation</td>
<td>Operating</td>
</tr>
<tr>
<td>4</td>
<td>Railways</td>
<td>Port</td>
<td>Logistics</td>
<td>Development of Chumphon Port</td>
</tr>
</tbody>
</table>

III. Energy Development Initiatives of India

BIMSTEC Energy Ministers’ Meeting in late February 2020 pointed out the urgent agenda in energy. The energy Minister’s advisor of Bangladesh said that energy network connection will help members’ countries to be confident in production capacity by stimulating the supply of member countries. Consumers within member countries will benefit from the cheap electricity price and energy will be used continuously while other branches are slowly proceeding (DD News, 2020). However, energy security cannot be negotiated and wait especially for fourth most-consumed energy like India.

The Indian Planning Commission defined energy security as an ability to find the energy to meet for all Indians needs. And also, to strengthen India’s energy security and energy potential which help its citizen access to state provide energy. According to UN data, 48% of India’s population is still poor and cannot access to the electricity. In 2005. India accelerates the supply of energy to support the fast growth of the industry and citizen need. Therefore, India has the initiative to cooperate with Bangladesh to construction the Myanmar-Bangladesh-India gas pipeline (Xavier, 2018).

Fig. 1. India’s Dry Natural Gas Production and Consumtion (1995-2009)

Source: U.S. Energy Information Administration (2020)

This project was initiated in 1997 by a private company of Bangladesh named Mohona Holdings that cooperated with major
Indian oil and gas companies such as GAIL, ONGC, Videsh, and Essar, proposed the construction of a natural-gas pipeline from Myanmar’s gas field to India through Bangladesh in the early 2000s. It heavily invested in the energy sector of Myanmar. After that, it began to proceed with the possibility of the mentioned project. After negotiations with Bangladesh and Myanmar in early 2005, there was an agreement between the three countries to construct the gas pipeline. This project cost 1 billion USD which is mainly the burden of India and India’s private sectors. On the other hand, Bangladesh will receive an annual transport fee of 125 million USD, while most gas will be fed into the Indian market. Bangladesh is still able to take advantage of the import gas from the pipeline if their domestic sources are scarce. However, the Bangladesh’s proposal is unacceptable by the Indian government. Also, Bangladesh is an Islamic state that has dispute issue with India which blocked almost India relate cooperation.

![Myanmar-Bangladesh India Energy Pipeline Route](image)

**Pict. 4.** Myanmar-Bangladesh-India Energy Pipeline Route  
**Source:** National Geographic (2013)

India’s energy need show in process of determination of foreign policy by tighten relationship with oil and natural gas export countries. India also implements pipeline diplomacy and geopolitics of energy base on energy security that already occurred in South Asia. When India still has problems with neighbors like Bangladesh, India’s next target is Myanmar that is located midway between South Asia and Southeast Asia (Lall, 2006). But when looking at the historical context, both were former British colonies. But the new type of relationship would not like relationship in the colonial era anymore. Therefore, Myanmar is like a strategic partner in Asia. Therefore, being a superpower in the South Asia region is not enough for India. In the past, since independence until the 1980s, India used Nehru foreign policy toward Myanmar. It can be said that India’s foreign policy has always avoided its attitude towards Myanmar. But the uncertainty result from vital factors causes Myanmar to close the country in 1962 leading India to lost trust in Myanmar. India has relationship with Myanmar both directly bilateral and indirect, on the big picture through multi-region framework such ASEAN. Nehru’s foreign policy rarely focus on neighbors in the east because there is not a democratic country. Myanmar, therefore, has more closer relations with China, both economically and strategically.

The important factor of Indian energy demand is economic growth. An increase in population affects the increasing consumption and oil demand (India imports 70% of oil), while there is insufficient coal usage. In addition, neighboring countries in the east like Bangladesh and Myanmar, in 2005, the Indian government plans to build a gas pipeline from Iran through Pakistan. Another project is from Turkmenistan through Pakistan and Afghanistan, and from Myanmar (via Bangladesh). India considers the policy to be a very important part of foreign policy (key foreign policy priority) (Lall, 2006). The border of India bordering Myanmar is northeast of India where the government sees it as an area with anti-government and separatist groups. As a result, it is difficult to bring gas pipes through this route, in the jurisdiction of a minority (i.e., Naga tribe) that has cause problems for the Indian government more than 50 years.
Another factor that has raised concerns for India is Chinese influence in Myanmar. Although there are Marine exploration on Thailand and Bangladesh Maritime boundary. And previously there were oil companies from the US, France, South Korea, and Thailand conducting surveys and drilling in other places, China has signed to buy gas from Myanmar (Kolas, 2007).

Before the cooperation in energy transportation had been made, Indian authorities opened a border trade zone with Myanmar in four areas which are Champai Moreh Langwa, Pangshau pass, and Mizoram. Later, it opened to trade after 2004. General Than Shwe traveled to India and signed trade cooperation, culture, and hydropower agreements in 2006. President Abdul Kalam visited Myanmar after George Bush visited India and it is an opportunity for India and Myanmar to reach agreement on building gas pipelines from Myanmar to India. It is a major policy adjustment of India and Myanmar, namely Pipeline policy. The import of gas from Myanmar is what the Indian government wishes. India is interested in gas field A1 in the Northwestern of Myanmar which Daewoo Company of South Korea has drilled with a gas company from India, OVL and GAIL holding a 20% stake. South Korean company, Kogas, holds 10% of the coastal strip of Rakhine State, near India while Daewoo Company holds 60%.

IV. Energy Development Initiatives of Thailand

Thailand imports 60-70% of average oil and imports gas and coal from neighbors including reliance on external energy up to 55%. The Thai government has the policy to support the procurement of electric energy from neighbors to meet the country’s increasing electricity demand by supporting the Thai private sector to survey and develop projects, produce electricity for sale in Thailand. For example, there is a power purchase from the Lao People's Republic, People’s Republic of China and the Union of Myanmar, Cambodia, and various sub-regional groups to comply with the energy requirements.
management plan of Thailand. The power purchase from Laos is considered to be more advanced than other countries by having a memorandum of understanding at the government level to purchase 3,000 megawatts of electricity by 2006.

**Power plant project purchased from Lao:**
1. Projects that have already been sold electricity
   - Theun-Hin Bun, Huai Hoh, Nam Theun 2, Nam Ngum 2, Theun-Hin Bun (Extension)
2. Projects that have been contracted
   - Hongsa Lignite, Xe Pian - Se Nam Yoi, Xayaburi
3. Projects with MOU signed
   - Nam Nip 1 (Energy Policy and Planning Office, Ministry of Energy)

For the issue of natural gas, Thailand’s largest domestic source is the Bongkot area in the Gulf of Thailand. After Thailand and Malaysia have started drilling for JDA, it can be used in 2011. Overall, Thailand can produce 28 Bcm of gas per year, including imports 11 Bcm per year from Myanmar and starting to bring LNG to be used in the Map Ta Phut economic area as well as a gas source. The southeast of Thailand is still a problem with Cambodia about the claim on The Overlapping Claims Area over Thai-Cambodian border. In the future, Thailand will increase gas imports from Myanmar to 60 Bcm in 2030-2035 (Bhattacharya & Bhattacharya, 2014).

As for Myanmar, Thailand has the highest proportion of investment among all neighbors. Both the Electricity Generating Authority of Thailand and the company PTTEP have been investing in Myanmar for many decades. But that information appears in the Thai Ministry of Energy, only the hydroelectric dam and coal power. It does not have the details of the oil and gas concession from Myanmar in any way or it will be found in foreign information and general news. Maybe it is because the Thai authorities consider it to be a private sector investment.
Myanmar is a BIMSTEC member country that is responsible for energy and is considered a key actor to connect South Asia and Southeast Asia. It has an abundance of energy resources that are needed for every country. Myanmar is, therefore, considered important to both Thailand and India in establishing cooperation with Myanmar as an Energy Hub of energy exports in this region. As mentioned above, India and Myanmar are initiating a gas pipeline project through Bangladesh but encountered obstacles, resulting in delays. In 2006, the Indian oil company ONGC (Oil and Natural Gas Cooperation) said that the energy project aims that, within 2030, there will have gas pipelines in the northeast region of India with 6,900 km pipeline connecting Sittwe (Myanmar), Chittagong (Bangladesh) to the northeastern state area. It includes Siliguri and Durapura. In addition, EarthRight International (ERI) pointed out that all India’s energy transportation plans can be divided into four routes as follows:

**Route 1:** Underwater Pipeline-Sittwe District (Arakan Burma)-Muangdaw District (Arakan Burma)-Bandarban District (Chittagong, Bangladesh)-Chhimtuipui District (Mizoram, India)

**Route 2:** Underwater Pipeline-Sittwe District (Arakan Burma)-Buthiduang District (Arakan Burma)-Chin State, (Burma)- Chhimtuipui District (Mizoram, India)

**Route 3:** Underwater Pipeline-Bandarban District (Chittagong, Bangladesh)-Chhimtuipui District (Mizoram, India)

**Route 4:** Underwater Pipeline-northern Bengal (India)

These routes are opposed by NGOs because it is believed to create conflicts between minority ethnics in Rakhine and Bangladesh border. NGO calls this project another Yadana (conducted by TotalFinaElf) meaning the first gas pipeline project exported to Thailand in the middle of 1998 with first-pass Karen ethnic areas into the western region of Thailand (EarthRight International (ERI) 2004). In the present, there are 3 sources of gas from Myanmar to Thailand which is Yadana Yetagun and Zawtika, as picture 8.

![Pict. 8. Petronas declares force majeure on Myanmar field](source)

**Source:** Offshore Energy (2021)

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**b. BIMSTEC Regional Power and Gas Grids**

After the first BIMSTEC meeting in Bangkok in 2004, energy issues have become an important issue in the meeting and are emphasized as part of the cooperation of member countries. At the BIMSTEC energy minister’s meeting, they have agreed on the vision of linking the electricity (electric grid connectivity) in the BIMSTEC region by developing countries (almost all members) to the country that has transmission lines to facilitate the electricity transmission lines between regions. Member states have studied
technical and economic agreements of BIMSTEC Gas Grids, which has 3 main factors in the development of energy cooperation in the BIMSTEC region including:

1) Joint agreement of the Minister
It was adjusted during the 2<sup>nd</sup> Energy Ministerial Meeting held in Bangkok in 2010. It was the beginning of the BIMSTEC Grid Interconnection master plan study.

2) In early 2011, member states signed the Memorandum of Agreement to establish the BIMSTEC Energy Center in Bengaluru, India.

3) In mid-year 2018, there was the Memorandum of Understanding to establish BIMSTEC Grid Interconnection at the meeting in Kathmandu, Nepal, which Memorandum of Understanding will take effect in April 2019.

Signing the MOU is considered the latest agreement to establish BIMSTEC Grid Interconnection. It has proposed a broad framework for member countries to cooperate as a guideline for the transmission line connection (cross border grid) for MOU trading. Recently, it is also aware of the need of the BIMSTEC Grid Interconnection Coordination Committee (BGICC) to work together to successfully implement the transmission line connection and electricity trading according to plan.

b. Future Plans for BIMSTEC Power Grid

For Thailand as a BIMSTEC member country and as a country that imports energy from Myanmar, including expanding cooperation to the West or Look West, the policies, and action plans regarding energy are very clear when compared with other member countries. It has clear and actual policies like buying gas from Myanmar and sending it through a gas pipe etc.

As already mentioned, Thailand is proposing the establishment of the BIMSTEC cooperation because in the period after the Cold War onwards, countries in this region have accelerated the economic development to be equal to western countries. It caused the integration of cooperation groups and many various initiatives both with neighbors bordering neighboring countries and regions.

The idea of looking west is part of the policy towards the neighbors that has the beginning during the government of Mr. Chuan Leekpai, Mr. Banharn Silpa-archa, and in the government of General Chavalit Yongchaiyut. It was when the Foreign Minister was sent to visit Sri Lanka, India, Bangladesh to be approached to join the Economic Cooperation Group and form the foundation. Until now, there were 4 leadership meetings. The first occurred in 2004 by having informal meetings of all member countries. After that, there was signing in the Bangkok Declaration in 1997. The second meeting was held in New Delhi, India, in 2008. Which has endorsed the BIMSTEC Leadership Declaration. The second meeting had significant implications for both Thailand and the US energy policy which is the initiative to establish an energy center (BIMSTEC Energy Center). The 3<sup>rd</sup> meeting took place in Yangon, Myanmar in 2014. Members have signed the establishment of the BIMSTEC Secretariat in Dakar, Bangladesh. The last meeting in 2018, in Nepal, had more than 18 projects, especially the linking (i.e., connectivity) (Prachatai, 2018).

The second meeting on the initiative that the Member States will establish a center for energy, at that time, the Prime Minister who attended the meeting was Somchai Wongsawat, and India are the proponents of this project. The next government was Mr. Abhisit Vejjajiva. There was a publishing document for Parliament approval on energy cooperation in BIMSTEC. It is a document for consideration of the draft memorandum of agreement to establish an energy center.
proposed by the Cabinet, referring to the resolution of the meeting of the Energy Minister. First BIMSTEC in 2005 and one of the duties of the Energy Center of BIMSTEC is an international gas pipeline laying including promoting energy trading in the region for energy security. If this energy center is established, it will be located in India and the Ministry of Energy agrees to push for an urgent agenda to the National Assembly in response to the BIMSTEC (Secretariat of the House of Representatives, 2009).

V. Conclusion

Energy cooperation between India and Thailand through the use of BIMSTEC cooperation can sometimes be just a guideline or a plan of action. But still will not be able to be used in practice As India and Thailand have maintained a distance of relationship and the key factor of energy in this BIMSTEC cooperation framework is Myanmar, because Myanmar is strategically located as well as being a country with large reserves of domestic energy. Therefore, the preliminary possibilities for both India and Thailand are making Myanmar the center of cooperation starting by bilateral to multi-cooperation because, in fact, Myanmar is responsible for generating energy Grids of BIMSTEC.

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