

Mekong - Ganga Cooperation Business Council

1. Mekong - Ganga Cooperation (MGC), comprising India, Cambodia, Lao PDR, Myanmar, Thailand and Viet Nam, is one of the oldest mechanisms of the Mekong sub-region. It was launched in November, 2000 in Vientiane, Lao PDR, with the signing of the Vientiane Declaration. The four foundational areas of cooperation included tourism, culture, education and transport and communication. The areas of cooperation were further expanded to include health and traditional medicine, agriculture and allied sectors, MSMEs, water resources management, science and technology, and skill development and capacity building. The aim of ten areas is to promote the growth and prosperity of the people in the Mekong sub-region and India through greater economic integration and closer cooperation in all areas.

2. India, under its Act East Policy, accords high priority to deepening cooperation with all countries in the Mekong sub-region with a focus on enhancing physical and digital connectivity, as well as capacity building. Dr. S. Jaishankar, External Affairs Minister, of the Government of India, has highlighted that India seeks multidimensional engagement with Mekong countries. MGC needs to broaden its partnership by identifying newer areas of cooperation. India also aims to promote connectivity in the region in the broadest sense, not just in terms of physical, but also digital, economic, and people-to-people connectivity.

3. Since the establishment of MGC, India's trade with MGC partner countries has increased steadily from USD 1.32 billion in 2000 to USD 33.8 billion in 2022 – 2023. Trade and investment between India and the MGC partner countries, however, still remain below their potential since businesses on both sides focus more on industrialised countries with larger markets.

4. The COVID-19 pandemic and the recent geo-political competition have disrupted the global supply chains and created the crisis in supply of essential commodities, including energy and food sectors. It has, however, presented unprecedented opportunities for regions. MGC countries have enormous untapped economic potential. “Respond and Renew” is a new mantra for business strategy.

5. Recent studies have indicated that some sectors such as auto components, information technology and IT – enabled services (ITES), garment and textile, tourism, and pharmaceuticals, are the emerging sectors for business collaboration between India and MGC partner countries. Another potential area for cooperation is processed food industry, which has emerged as a fast-changing sector in both regions. These areas of cooperation provide opportunities for private sectors’ engagement to boost economic cooperation between MGC countries.

6. The MGC has been organising its Business Forum to further strengthen economic cooperation. The first MGC Business Forum was organised on 24 January 2018 in New Delhi by the Government of India. Thereafter, two consultative meetings were organised with the objective of constructively engaging the private sector to develop a long-term strategy to deepen economic connectivity in the sub-region, thus also serving the greater purpose of ASEAN integration and supporting the Act East Policy of the Government of India. However, the ad-hoc and non-permanent nature of the Business Forum has limited its fullest utility in further deepening economic cooperation among the MGC countries.

Proposal: Formation of the MGC Business Council

7. With an aim to establish new dynamics and closer partnerships, it is high time to escalate business engagements among the MGC countries through the formation of the MGC Business Council (MBC). The Council will operate on the principle of consensus based decision making. The Council will comprise business chambers, associations, and institutional partners from the MGC countries and shall discuss cooperation on the matters of:

- Trade & investment opportunities;
- Business alliances and possibilities for collaboration, and
- Trade facilitation and business support.

8. **Composition:** The MGC Council meeting will be co-chaired by India and the concurrent MGC co-chair. The Council will be consisted of a maximum of 30 members, 5 from each MGC country. These members will be nominated by the respective business body representing each MGC country in the Council. Special invitees can also be included in relevant discussions.

9. The Council shall operate under the following **Areas of Cooperation:**

i) **Promotion of Trade and Industry:** The Council will identify problems and bottlenecks and make recommendations to promote greater economic engagements between India and Mekong countries. The Council may also advise measures to improve the overall investment environment and enhance two-way trade and investment.

ii) **Promotion of Business Cooperation:** The Council will facilitate alliances by exploring potential areas of business cooperation between business communities. This will also include identifying specific industries and services for the purpose of setting up joint ventures and resilient supply chains. The private sector, MSMEs, and start-up

businesses are encouraged to engage. The Council will facilitate the opportunity once or twice a year for exchanging experiences and know-how to strengthen organization management capacity and enhance business networking.

iii) **Technology Transfer and Development:** The Council will make efforts to further strengthen economic cooperation through collaboration in the area of technology transfer and its development.

iv) **Research & Advisory Role:** Based on the emerging economic, sectoral trends and feedbacks from the respective MGC countries, the Council will endeavour to formulate status papers and economic reports for optimally utilising these trends for mutual gains of all MGC countries. Furthermore, it may provide feedbacks to both the industry and the governments of the MGC countries. It will also promote interactions between industry(s) and government(s) with special reference to suggestions of guidelines and policies relating to trade and investment of the whole region.

10. **Secretariat:** The Confederation of Indian Industries (CII), representing India will serve as the Secretariat of MGC Business Council and will work under the close guidance of the Ministry of External Affairs, the Government of India and MGC Business Council members. The Secretariat will be responsible for the administrative tasks, organisation of meetings and communication activities under the Council's responsibilities. The working language will be English. The Secretariat will work, prior to each meeting, through internal consultations, to conclude specific agenda for each Council's meeting. The Secretariat will be in a regular contact with all the Council members in preparation for periodic reports, recommendations, or proposals.

11. **Periodicity:** - The Council meetings should be organised annually on the sidelines of the MGC Foreign Ministers' Meeting (FMM). The offices of the Co-chairs and Secretariat will coordinate regularly to continue following up and monitoring the implementation of the meeting outcomes.

12. **Reporting Mechanism:** The outcome of the Council's meeting, will be submitted to the MGC Senior Officials' Meeting (SOM) for review and the MGC FMM for notation and further instruction.

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