SASEC, Full Form, Countries, Headquarters, Significance

August 7, 2026 • vajiramandravi.com

SASEC (South Asia Subregional Economic Cooperation) is a regional partnership to promote cross-border connectivity, trade facilitation, energy cooperation, and economic integration among its member countries. Established in 2001 with support from the **Asian Development Bank (ADB)**, SASEC focuses on practical, project-based cooperation rather than broad political integration.

SASEC has improved transport corridors, customs modernisation, and regional energy links in South Asia. However, its progress is constrained by geopolitical tensions, funding gaps, uneven infrastructure, regulatory differences, and slow implementation of cross-border projects.

SASEC About

SASEC is a project-based partnership established in 2001 among seven South Asian countries: Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka. It aims to improve connectivity, trade, and economic cooperation through targeted investments and policy reforms, especially in cross-border infrastructure and trade facilitation.

SASEC Full Form

The full form of SASEC is South Asia Subregional Economic Cooperation. It brings together prominent South Asian countries to promote regional prosperity, improve economic opportunities, and build a better quality of life for the people of the subregion.

SASEC Headquarters

SASEC (South Asia Subregional Economic Cooperation) does not have a standalone physical headquarters. Instead, the **Asian Development Bank (ADB)** serves as its permanent secretariat. Its administrative functions are managed from the ADB headquarters located in Mandaluyong, Manila, Philippines.

SASEC History

The history of SASEC began with the South Asian Growth Quadrangle (1996) and evolved into an ADB-supported regional cooperation initiative in 2001, expanding connectivity, trade, energy, ICT, and infrastructure cooperation.

- **South Asian Growth Quadrangle (SAGQ, 1996):** It was established by Bangladesh, Bhutan, India, and Nepal to foster cross-border development and subregional economic cooperation.
- **Establishment of SASEC (2001):** With the help of the ADB, SASEC was formally created to replace SAGQ as a framework for regional trade, energy, and transportation cooperation.
- **Membership Expansion (2014, 2017):** Maldives and Sri Lanka joined SASEC in 2014, followed by Myanmar in 2017, expanding regional cooperation across maritime corridors while strengthening connectivity between South Asia, Southeast Asia, and China.
- **SASEC Operational Plan 2016–2025:** The programme expanded beyond transport to include trade facilitation, energy cooperation, **Information and Communication Technology (ICT)**, and regional infrastructure, with several cross-border projects initiated.

SASEC Objectives

SASEC aims to accelerate economic growth and regional integration by improving connectivity, facilitating trade, and fostering cooperation among member countries.

- **Improve Regional Connectivity:** Create cross-border networks of roads, trains, ports, and aeroplanes to facilitate the flow of people and products.
- **Facilitate Trade:** To encourage smooth intraregional trade, streamline customs processes, harmonise rules, and lower trade obstacles.
- **Boost Energy Cooperation:** Encourage regional power-grid connectivity, renewable energy development, and cross-border electricity commerce.
- **Encourage Economic Integration:** To improve competitiveness and shared prosperity, encourage investment, regional value chains, and stronger economic ties.
- **Enhance Regional Infrastructure:** To support economic activity, encourage the creation of high-quality transport, logistics, and digital infrastructure.
- **Promote Sustainable and Inclusive Growth:** Make sure that regional collaboration creates jobs, lowers poverty, and promotes ecologically sustainable growth.

SASEC Countries

South Asia Subregional Economic Cooperation (SASEC) currently comprises seven member countries—Bangladesh, Bhutan, India, Nepal, Maldives, Sri Lanka, and Myanmar. Bangladesh, Bhutan, India, and Nepal are the founding members, while Maldives and Sri Lanka joined in 2014, and Myanmar became a member in 2017.

SASEC Vision

By creating synergy between three levers, the SASEC Vision presents the subregion with a transformative opportunity:

- **Resource to Industry Links:** Utilising the subregion's latent industrial demand to leverage industries based on natural resources.
- **Industry-to-Industry Links:** Fostering industry-to-industry connections within the subregion in order to build and fortify regional value chains and improve the competitiveness of the area.
- **Industry to Infrastructure Links:** Establishing subregional gateways and hubs to provide access to regional and international markets, hence increasing trade and commerce within the region.

SASEC Core Areas

South Asia Subregional Economic Cooperation (SASEC) is built on 4 key pillars that promote regional integration through improved connectivity, trade, and infrastructure.

- **Transport:** To enhance regional connectivity and ease the flow of people and commodities, integrated road, rail, port, inland waterway, and air transportation networks are developed.
- **Trade facilitation:** Lowers transaction costs and fosters smooth cross-border trade by modernising customs processes, harmonising border rules, and bolstering logistical systems.
- **Energy:** Promotes cross-border electricity commerce, power-grid linkages, renewable energy development such as **solar energy**, and energy market integration to improve regional energy security**.**
- **Economic Corridor Development:** To promote investment, jobs, and regional value chains, economic corridors are created by connecting transportation infrastructure with markets, logistics centres, and industrial clusters.

SASEC Structure

SASEC follows a collaborative institutional framework led by the Asian Development Bank (ADB). It brings together member governments and sectoral agencies to plan, finance, and implement regional projects.

- **Senior Officials Meeting:** The highest decision-making body, which provides strategic direction and approves major regional initiatives.
- **Secretariat:** The Asian Development Bank (ADB) serves as the secretariat and development partner, coordinating SASEC activities, mobilising finance, and providing technical assistance.
- **National Focal Points:** Each member country designates a nodal ministry or agency to coordinate SASEC projects and ensure inter-ministerial cooperation at the national level.

- **Sectoral Working Groups:** Technical experts and officials collaborate in priority sectors such as transport, trade facilitation, energy, and economic corridor development to design and implement regional initiatives.

SASEC vs BIMSTEC

Both SASEC and BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) operate in overlapping geographies and involve several of the same countries, including India, Bangladesh, Sri Lanka, Nepal, Bhutan, Myanmar.

Aspect	SASEC	BIMSTEC
Full Form	South Asia Subregional Economic Cooperation	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
Established	2001	1997
Secretariat	Coordinated by the Asian Development Bank (ADB)	Permanent Secretariat at Dhaka, Bangladesh
Members	7 (Bangladesh, Bhutan, India, Nepal, Maldives, Myanmar, Sri Lanka)	7 (Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, Thailand)
Geographic Focus	South Asia	Bay of Bengal region (South & Southeast Asia)
Primary Focus	Connectivity, trade facilitation, transport, energy, economic corridors	Trade, connectivity, security, technology, disaster management, blue economy, and several other sectors
Funding	Primarily ADB loans, grants, and technical assistance	Contributions from member states and development partners
India's Interest	Regional connectivity under Neighbourhood First and Act East Policy	Strategic engagement with the Indo-Pacific and Bay of Bengal region under **Neighbourhood First**, Act East, and MAHASAGAR

SASEC Major Projects

As of December 2025, SASEC has supported 99 regional projects worth over US$26.36 billion, primarily financed by the Asian Development Bank (ADB).

- **SASEC Road Connectivity Project (Nepal):** Upgrades strategic highways and border roads to improve trade and transport connectivity between Nepal and India.
- **SASEC Electricity Transmission and Distribution Strengthening Project (Nepal):** Strengthens cross-border power transmission infrastructure and expands electricity access, facilitating regional energy trade.
- **Strengthening Multimodal and Integrated Logistics Ecosystem (India):** Modernises India's logistics network by integrating road, rail, ports, and digital logistics systems to improve regional supply chains.
- **Tripura Industrial Infrastructure Development Project (India):** Develops industrial estates, logistics facilities, and transport infrastructure to strengthen economic corridors and cross-border trade with Bangladesh.

SASEC Significance for India

As a founding member and the largest economy in the South Asia Subregional Economic Cooperation (SASEC), India leverages the platform to strengthen regional connectivity, economic integration, and strategic cooperation.

- **Enhances North-East India's Integration:** SASEC integrates the landlocked northeastern states with neighboring countries, creating new economic corridors and opening up alternative routes to the sea.
- **Supports the Act East Policy:** With Myanmar as a member, SASEC strengthens India's connectivity with Southeast Asia, complementing projects such as the India–Myanmar–Thailand Trilateral Highway and expanding access to **ASEAN** markets.
- **Countering China's Regional Influence:** As an alternative to China's Belt and Road Initiative (BRI) across South Asia, SASEC offers India a transparent, rules-based connectivity framework supported by the Asian Development Bank (ADB).
- **Alternative to SAARC:** SASEC has become a useful venue for promoting regional cooperation without Pakistan, allowing for the quicker implementation of connectivity and economic initiatives, amid the restricted operation of SAARC due to tensions between India and Pakistan.
- **Regional Trade and Energy Security:** SASEC strengthens India's regional value chains and energy cooperation with neighbouring countries by facilitating multimodal transportation, cross-border e-commerce, and customs modernisation.
- **Indo-Pacific region and Bay of Bengal Connectivity:** SASEC supports India's larger Indo-Pacific vision and marine connectivity ambitions by connecting South Asia with Southeast Asia and the Bay of Bengal.

SASEC Challenges

Despite significant progress in enhancing regional connectivity and economic cooperation, the South Asia Subregional Economic Cooperation (SASEC) faces several political, economic, and institutional challenges that hinder the effective implementation of its objectives.

- **Geopolitical Tensions:** Regional connectivity is disrupted, and cross-border projects are delayed by political instability and bilateral disputes, especially in Myanmar after the military coup in 2021.
- **Infrastructure Gaps:** Inadequate energy, logistics, and transportation infrastructure among member nations raises project costs and restricts smooth regional connectivity.

- **Trade and Regulatory Barriers:** Divergent customs procedures, non-tariff barriers, and varying regulatory standards continue to impede efficient cross-border trade.
- **Limited Institutional Framework:** SASEC has limited autonomous institutional competence because it lacks a permanent intergovernmental secretariat and mostly depends on ADB for coordination, in contrast to organisations like BIMSTEC or ASEAN.
- **Security Challenges:** Cross-border **terrorism**, insurgency, human trafficking, and smuggling in border regions undermine connectivity initiatives and reduce investor confidence.
- **Slow Project Implementation:** Complex approval processes, land acquisition issues, and weak institutional coordination often delay the execution of regional projects.

SASEC Way Forward

SASEC needs to improve regional cooperation, expedite infrastructure development, and overcome institutional and geopolitical obstacles in order to fulfil its vision of a connected and economically integrated South Asia.

- **Accelerate Connectivity Projects:** Fast-track the implementation of cross-border road, rail, port, and multimodal transport projects to improve regional integration and reduce logistics costs.
- **Deepen Trade Facilitation:** Harmonise customs procedures, expand digital single-window systems, and reduce non-tariff barriers to enable seamless cross-border trade.
- **Strengthen Energy Integration:** Expand cross-border electricity trade, regional power grids, and renewable energy cooperation to enhance energy security and support the clean energy transition.
- **Enhance Institutional Capacity:** Improve coordination among member countries and strengthen governance mechanisms while expanding the Asian Development Bank's (ADB) technical and financial support.
- **Leverage India's Regional Leadership:** India should use SASEC to advance its Neighbourhood First Policy, Act East Policy, and PM Gati Shakti initiative while promoting inclusive regional growth.
