

## Gist of RSTV- Big Picture: Indo-Bangladesh Connectivity & Economic Partnership

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**What's in the News?**

- The first-ever container cargo from Kolkata has reached Agartala via Bangladesh's Chattogram (Chittagong) port.
- India and Bangladesh have enhanced cooperation in shipping and inland water trade in the recent years.
- This has been considered a "historic milestone" in the Indo-Bangladesh connectivity and economic partnership.
- The Protocol on Inland Water Transit and Trade between India and Bangladesh was revised in July 2020 which has added five new ports of call in each country, in addition to the six existing ports of call.

**What is a port of call?**

A port of call is an intermediate port where ships customarily stop for supplies, repairs, or trans-shipment of cargo.

**Background:**

- **Protocol on transit and trade through inland waterways** was first signed in 1972, immediately after the independence of Bangladesh.
  - It was renewed in 2015 for five years with a provision of automatic renewal for another five years.
  - A second addendum to this protocol has been signed between the two countries in July 2020 for approving five new ports of call:
    - Indian side: Dhulian, Maia, Kolaghat, Sonamura and Jogigopha
    - Bangladesh side: Rajshahi, Sultanganj, Chilmari, Daudkandi, and Bahadurabad.
  - Two additional ports of call have also been approved through this addendum:
    - Indian side: Tribeli ( Bandel) and Badarpur
    - Bangladeshi side: Ghorasal and Muktarpur

**Bilateral ties between Bangladesh and India:**

- In 2019 India and Bangladesh undertook many bilateral ventures. India invested in many development projects in Bangladesh including:
  - 11 water treatment plants
  - 36 community clinics

- Human resource development programmes
- Cooperation in energy, space and information technology
- Education: India computerised five hundred schools in Bangladesh
- Most of the railway lines which were closed in 1965 have been restored from 2008 onwards.
  - The railway line, between Agartala in Tripura and Akhaura in Bangladesh is expected to be completed by 2021, which will enhance freight and passenger connectivity between the rest of India and the northeastern states.
- Agartala to Kolkata via Dhaka bus service that was started in 2003 was a milestone in transit free travel between the countries.
- India has been exporting electricity to Dhaka from its north-eastern grid. Even private players like Adani Power have established coal based power plants in Jharkhand to sell electricity to Bangladesh.
- Power exchange between India and Bangladesh through Khulna in the south west Bangladesh has enabled remarkable factory operations and agriculture in that region.
- Reliance power along with Japanese energy major JERA, is jointly establishing a 750 MW gas-based combined cycle power project at Meghnaghat in Bangladesh.

### **Significance of this milestone move:**

- After the blocking of road and water connectivity between India and Bangladesh post the 1965 war, it is for the first time that the bilateral agreements on inland water connectivity and trans-shipment are being implemented.
- Access to ports in Bangladesh is critical for opening shorter and alternate routes to connect the northeast region with the rest of India for trade. This will reduce the travel distance from Kolkata to Agartala from 1600 kilometers to around 450 kilometers.
- It is a critical step towards the regeneration of not just the Indian north eastern region, but also for economic development within Bangladesh.

### **What impetus will this move provide to the sub-regional groupings?**

- The inland water connectivity could be a huge boost to the regional forums like Bangladesh, Bhutan, India, Nepal (BBIN) Initiative and the The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).
- It is an opportunity in which Nepal and Bhutan can participate fully.
- The inland trade route through Mongla port in Bangladesh is beneficial to all neighbours including India, Nepal and Bhutan.
- It could pave the way for quicker implementation of the BBIN Motor Vehicles Agreement (MVA), which Bhutan has still not agreed to.
  - **BBIN Motor Vehicles Agreement (MVA)** was signed in June 2015 at Thimpu, Bhutan.
  - The agreement will permit the member states to allow their vehicles in one another's territory for transportation of cargo and passengers.
- Using the river route rather than the 1600 kms road route for carrying cargo will be environmentally friendly as it will save emissions from trucks which would otherwise be used.
- This regularization of the trans-shipment methodology will also enable the corporate sector and manufacturers in Bangladesh to get access to a huge new market in the northeast states of India.

### **Addressing tensions between India and Bangladesh:**

- Both the nations have amicably sorted out long standing differences between them such as acceptance of the United Nations tribunal decision on allocation of disputed territory in the Bay of Bengal.
- The inability of both the nations to reach a consensus on Teesta river water-sharing is a cause of concern.

- China and Pakistan exert pressure within Bangladesh to promote their own vested political interests.

**The United Nations Tribunal Award:**

- In 2014 UN Tribunal's award delineated the maritime boundary line between India and Bangladesh in the territorial sea, Exclusive Economic Zone (EEZ) and continental shelf.
- The judgement was given by the Hague-based Permanent Court of Attribution (PCA).

**Best way forward:**

The ongoing projects between both the countries have to be expedited. These projects include:

- The Akhaura-Agartala Rail Link- railways are a more cost and time efficient means of transporting goods between the countries.
- Rampal power station also known as the Maitree Super Thermal Power Project- has been running behind schedule and is over budget too.
- Bangladesh has to realise that India can provide a people to people engagement and capacity building approach which China cannot; given China's unilateral top down governance model.