

UPSC PREPARATION

BBIN- Motor Vehicle Agreement

Bangladesh, Bhutan, India and Nepal (BBIN) Motor Vehicles Agreement (MVA) aims to facilitate the seamless flow of passenger, personal and cargo vehicular traffic between and among the BBIN countries

Latest context: Bangladesh, India, and Nepal held a meeting to discuss the passenger and Cargo protocols to operationalize the BBIN Motor Vehicles Agreement (MVA). Bhutan participated in the meeting as an observer.

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About BBIN

- The BBIN connectivity project was conceived after the South Asian Association for Regional Cooperation (Saarc) failed to agree on a regional motor vehicles agreement at a summit in Nepal in 2014, mainly because of opposition from Pakistan.
- BBIN MVA aims at constructing an economic corridor connecting Bangladesh, Bhutan, India and Nepal by roads.
- Bhutan, being one of the signatories to the BBIN MVA, has not yet ratified the Agreement for its entry into force. Bangladesh, India and Nepal, have already ratified it.
- Asian Development Bank has supported the project as part of its South Asian Subregional Economic Cooperation programme.

Importance of BBIN

- The agreement was created 'for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between Bangladesh, Bhutan, India, and Nepal and to boost economic growth in the region.

- BIN agreement will promote safe, economically efficient and environmentally sound road transport in the sub-region and will further help each country in creating an institutional mechanism for regional integration.
- BBIN countries will be benefited by mutual cross border movement of passengers and goods for the overall economic development of the region.
- The people of the four countries will benefit through the seamless movement of goods and passengers across borders.

Need for BBIN

- The cost of trade between these countries (Bangladesh, Bhutan, India, and Nepal) is very high because of numerous reasons like
 - Inadequate infrastructure at border crossings
 - A plethora of paper-based procedures
 - Restrictive policies and regulations
 - Inefficient logistics for cargo handling
- The geography of the area is complex and therefore compounds the issue. Bhutan and Nepal are landlocked mountainous countries with difficult connectivity. Only one road in India connects the northeastern states with the mainland and it passes through the narrow Siliguri Corridor, the Chicken's Neck.
- The potential of trade between these 4 countries is huge. The trade between the BBIN countries grew six-fold between 2005 and 2019. But still, the potential remains massive at 93% for Bangladesh, 50% for India and 76% for Nepal.
- Currently, there is a lot of documentation procedure required for the trade between these countries.
- At some borders, customs officials examine 80-100% of all the goods that pass through. If countries adopted advanced risk management practices, consignments could be cleared far more quickly.
- World Bank analysis finds that under the MVA, a truck travelling from Agartala in India's northeast to Kolkata port will take 65 % less time and be 68 % cheaper.

The early implementation of the BBIN MVA can lead to shorter transport routes, quicker travel times, and lower costs, in addition to a smaller carbon footprint.