

# 04

## The Role of Bangladesh in Sub-Regional Connectivity

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### Abstract

The geographic location of Bangladesh makes it a critical player in several inter- and intra-regional connectivity initiatives, including the Trans-Asian Railway and Asian Highway. Furthermore, as the founding member of the two regional cooperation processes in the sub-region—SAARC and BIMSTEC—Bangladesh is now the epicentre of the key regional and sub-regional frameworks. This makes regional connectivity an important component of Bangladesh’s foreign policy. Moving beyond large regional institutions, Bangladesh has shown the readiness and flexibility to work through sub-regional mechanisms to take the connectivity agenda forward. Over the years, Bangladesh has also adopted a multifaceted approach to connectivity by focussing simultaneously on hard infrastructure development while also advocating soft connectivity through increased people-to-people interactions in the region. This brief delves into Bangladesh’s changing approach to connectivity over the years while also highlighting the challenges and progress in implementing some of the regional connectivity plans, including the land ports and regional inland waterways. It concludes by highlighting that the success of many connectivity initiatives within and beyond South Asia would depend on bilateral and sub-regional relations between the countries.

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## Recovering past linkages

**B**angladesh is located at the top of the Bay of Bengal, one of the world's largest Deltaic plains, crossed by three major river basins. It shares maritime and land boundaries with India and Myanmar, making it a key gateway from South to Southeast Asia. The Bengal Delta approximates today's territory of Bangladesh and the Northeast Region (NER) of India together, which forms a subregion with common historic, economic, and political ties. For many centuries, this was the nodal hub for a vibrant Bay of Bengal region, acting as a 'maritime highway' between India and China (Amrith, 2013, p. 24).

Before the 1947 partition of the subcontinent between India and Pakistan, the Bay of Bengal region was a unique space, integrated both geographically and economically, and more developed compared to many other parts of British India. The goods produced in this region were transported to other parts of India by rail and road through East Bengal (today's Bangladesh) or exported globally through the Chittagong Port (Hasan & Naim, 2021). It was an economically viable and thriving area until the 1930s.

The partition of the Northeast region (NER) of British India into India and Pakistan (then East Pakistan) resulted in the creation of eight states of NER which were disconnected from the rest of India, except through the narrow Siliguri corridor (also known as Chicken's Neck). Geographic, ethnic, and religious fragmentations, as well as separatist movements coupled with disrupted connectivity, resulted in the economic decline of the NER since 1947. The hostile relationship between India and Pakistan failed to bring back the integrated nature of the sub-region.

The independence of Bangladesh in 1971, however, brought changes in the geopolitics and geo-economics of this subregion. The visionary leadership of the Father of the Nation of Bangladesh, Bangabandhu Sheikh

Mujibur Rahman, realised the economic and business potentials of a connected Bangladesh. During his first state visit to India in 1972, Bangabandhu stated,

*"Let there be an end, once for all, to the sterile policy of confrontation between neighbours. Let us not fritter away our national resources but use them to lift the standard of living of our people. As for us, we want to cooperate with all concerned for creating an area of peace in South Asia where we could live side by side as good neighbours and pursue constructive policies for the benefit of our peoples."* (Hussain, 2020)

But the vision of Bangabandhu remained unrealised for decades. Despite the obvious logic of gains through connectivity between Bangladesh and India's NER, political rivalries in the then East Pakistan, coupled with the fact that Bangladesh, in the post-1971 period, did not take any steps to create a larger economic space in the subregion until the 2000s, impacted the economic potential of the region.

However, following a series of bilateral engagements—most notably the visit of the Prime Minister of Bangladesh Sheikh Hasina to India in January 2010 and the visit of then Prime Minister, Dr Manmohan Singh, to Bangladesh in September 2011—the agenda for Bangladesh, India, Nepal, and Bhutan sub-regional connectivity gained momentum (Ministry of External Affairs [MEA], 2010; 2011b). The two Prime Ministers agreed to put in place a comprehensive framework of cooperation for development in the areas of power, water resources, transportation and other forms of logistics, food security, tourism, education, environment and sustainable development to mutual advantage. The Framework Agreement on Cooperation for Development was signed during the 2011 visit and further consolidated the intent of the highest political leadership by agreeing to harness the advantages of sub-regional cooperation (MEA, 2011a).

The Foreign Ministers of Bangladesh and India carried forward this resolution and

the first meeting of the Joint Consultative Commission (JCC), held in May 2012, welcomed the formation of technical-level teams for sub-regional cooperation in water, power, physical connectivity, and transit (MEA, 2012). Later, during the second and third JCC meetings, the idea of connectivity was consolidated and many connectivity projects were initiated. Also, in the joint statements issued following the visits in 2015 and 2017, the two Prime Ministers emphasised the advantages of sub-regional cooperation in the areas of connectivity for mutual benefit (MEA, 2017).

The logic of cooperation on Bangladesh-India connectivity in the wider sub-regional context was also captured during the exchange of visits between Bangladesh and Bhutan at the highest levels (Islam, 2020). Through these visits, a broad understanding has been reached by the two countries to cooperate in a multitude of areas.

## **Bangladesh's renewed approach to connectivity**

As part of global and regional supply chains, deepening connectivity is essential for Bangladesh. Encouraged by the Association of Southeast Asian Nations (ASEAN) and Greater Mekong Sub-region (GMS), Bangladesh has opened up over the decades to its extended neighbourhood. Its approach is to link all nodes, ports, growth centres, and connectivity networks in a seamless way with the goal to create a contiguous landscape from the Far East through Bangladesh to India and beyond. This logic of connectivity underpins Bangladesh's engagements in the various connectivity initiatives in Asia-Pacific, specifically in the sub-region (Bangladesh and NER). In the latter, it is expected that the opening-up of economies and societies through multimodal connectivity will naturally create a new re-alignment in terms of market synergies and economies of manufacturing and distribution across borders.

Beyond the geographical coverage, Bangladesh's approach to connectivity is also multi-faceted, ranging from infrastructure and logistics connectivity to that between people, institutions, and services (Bhuiyan, 2019). It argues that well-connected regions surely contribute to securing peace and stability across communities.

Prime Minister Sheikh Hasina articulated her vision of connectivity during the 18th South Asian Association for Regional Cooperation (SAARC) Summit in Kathmandu in 2014,

*“Physical connectivity is important in ensuring overall peace, progress, and stability across South Asia. Multimodal physical connectivity links territories and communities ..... Bangladesh approaches connectivity in a wider context. We believe in connecting ideas, knowledge, technology, culture, people, road-rail-air, movement of goods, services and investment” (SAARC, 2014).*

Bangladesh believes that the people are at the centre of all endeavours for any form of connectivity. Connectivity is about securing well-being, dignity, and realising the right to development for people and communities, especially for the people at the grassroots. It is also about the realisation of sustainable development.

Bangladesh provides a critical link to any inter-regional connectivity initiative, particularly of the Trans-Asian Railway and Asian Highway initiatives. At the same time, as the founding member of the two regional cooperation processes in our sub-region—SAARC and BIMSTEC—Bangladesh is now at the epicentre of these key frameworks. It is engaged with its development partners to help actualise the sub-regional gateways, measures, and infrastructure. It assumes that the connectivity projects will connect and integrate Bangladesh with its neighbouring regions particularly bordering areas of NER of India as well as countries like Nepal and Bhutan, and eventually also with the ASEAN region.

## Sub-regional connectivity: Progress and opportunities

In terms of connectivity in the Bangladesh and NER sub-region, road, rail, and waterways play a vital role. In 2018, Bangladesh and India formalised the cooperative use of the Chittagong and Mongla ports (Ministry of Shipping, 2018). It provided access to the two Bangladeshi sea ports to India's Northeast, Nepal, and Bhutan, through Bangladesh territory. Bhutan was also allowed to use a northern airport in Bangladesh. Talks in an advanced stage are underway to establish a transit corridor for Bangladesh through India to Bhutan and Nepal. Direct bus services have been launched connecting two key cities in North-east India (Guwahati, Shillong), and Kolkata and Agartala through Dhaka. More bus and train services are in the pipeline to connect cities (Khulna, Jessore) with Kolkata (Press Trust of India, 2015). The old rail links in western and eastern Bangladesh are being revived. A Dhaka-Kolkata passenger train service is operating since April 2008. A container-handling yard is being planned in south-west Bangladesh (Jashore).

Sub-regionally, India has granted Bangladesh access (Rohanpur-Singhabad and Radhikapur-Birol routes) for rail transit to Nepal through India (Jha, 2021). Talks with Nepal are in progress for a bilateral agreement for the carriage of transit/trade cargo so that Nepal can carry out third-country trade through Bangladesh seaports. Bangladesh authorities are in talks with Nepal for Dhaka-Kathmandu bus and rail services. Bhutan can also do the same. The ongoing Bangladesh and Bhutan transit agreement will allow Bhutan's transit cargo through Bangladesh territory and ports for third-country trade. Dhaka is also working on a Dhaka-Thimpu direct bus service. Riverine connectivity with Bhutan and Nepal also holds promise for transit cargo using Bangladesh's inland waterways.

Under a coastal Shipping Agreement, India and Bangladesh have agreed to the development of connection ports along

the coastline. Trials have been conducted successfully. Small traders across the two countries are particularly upbeat as this will eventually establish direct coastal shipping up to Sri Lanka, the Maldives, Myanmar, and further afield. It will also allow goods to be taken through the riverine hinterland deep inside Bangladesh. Additionally, Bangladesh and India are also discussing the movement of containerised cargo on a commercial basis, beginning with trans-shipment arrangement through Bangladesh.

Beyond the road-rail connections, the work on developing and tapping the region's power and energy potential is progressing well. SAARC already has a Framework Agreement for Energy Cooperation and for creating a Market for Electricity. Through the Bangladesh-India Power Grid, Bangladesh is importing 500 MW from eastern India. Plans are afoot to import another 600 MW from North-East India (Tripura). A cross-border pipeline carries diesel from a refinery in Northeast India (Assam) on a commercial basis. Another commercial pipeline carries LNG from Indian points to Bangladesh. The private sector in India is also discussing the possibility of more pipelines to carry LPG from India to a plant in Chittagong and for future supply to India.

### Upgrading land border management

The sub-regional transportation and power connectivity initiatives discussed above also require simultaneous improvements in border management. Given the geographical contiguity and historical physical links, addressing the challenges in land-border management in the sub-region will play a key role in facilitating many of these connectivity plans by reducing the time and cost of the initiatives. In the last decade, the development and modernisation of land-border management infrastructure has received some attention in Bangladesh, India, and Nepal.

### Strengthening the Integrated Check Posts/ Land Ports

India's Integrated Check Posts (ICPs) are sanitised zones at India's land border that

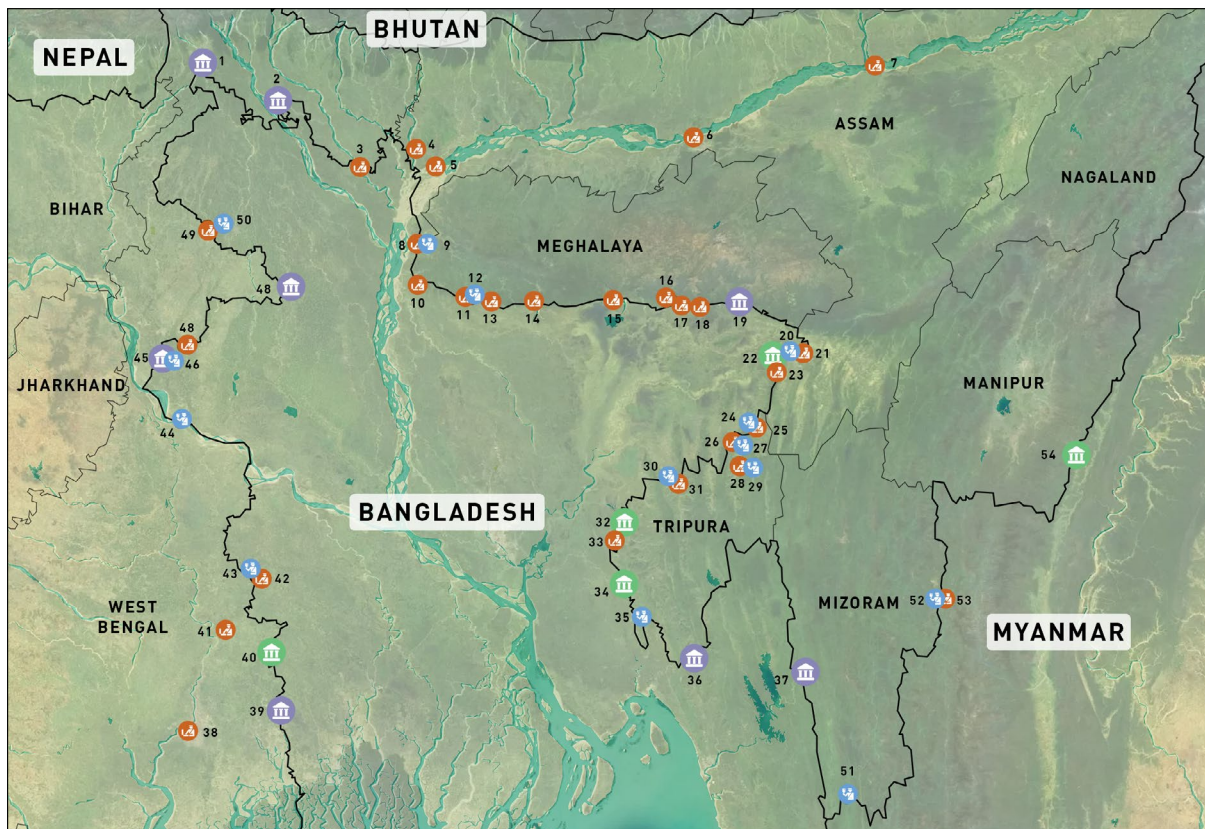
play a key role in facilitating cross border movement (both for trade and travel). These are land border entrance and departure points that house a variety of facilities like customs, immigration, and border security, among others, all inside a single-facilitation zone. At present, India has four active ICPs with Bangladesh, including at Petrapole, Agartala, Sutarkandi, and Srimantapur. In 2019–20, 40% of India’s total trade with Bangladesh was routed through the ICPs (Sinha, 2022).

In recent times, the Government of Bangladesh has focussed on facilitating export-import through land routes. The major activities include infrastructure development, efficient cargo handling, improvement of storage facilities, and fostering public-private partnerships for effective and better service delivery. It has also been decided that

Bangladesh would build port infrastructure in an integrated manner like India’s ICPs to enhance the efficiency of the port operation.

So far, overall, 24 Land Customs Stations (LCSs) nearing neighbouring countries, both with India and Myanmar, have been declared as land ports. The Bangladesh Land Port Authority currently operates seven (out of 11) land ports with India at Benapole, Bhomra, Burimari, Akhaura, Nakugaon, Tamabil, and Sonahat. Private participation at the land ports in Bangladesh is also active with four ports along the border with India (Sonamasjid, Hili, Bibir Bazar, and Banglabandha) being operated by the private players on a Build, Operate, and Transfer (BOT) basis. More land ports are also being developed by private operators (Bangladesh Land Port Authority [BLPA], n.d.).

Figure 1: India’s land border checkpoints with Bangladesh and Myanmar



Source: Linking land borders: India’s Integrated Check Posts (Sinha, 2021)

- 🏠 ICP - Operational
- 🏠 ICP - Planned
- 🏠 LCS
- 🏠 ImCP

In some cases, LCS/ ICPs, as part of development activities, are to be developed within 150 yards along the Bangladesh-India international border. Para no. 38 of the Joint Statement endorsed during the visit of Hon'ble Prime Minister of Bangladesh to India in 2017 said that "both leaders directed their respective agencies to ensure that development work including construction of ICPs/ Land Ports will be allowed within 150 yards of zero line on the prior intimation from other side" (MEA, 2017).

Sometimes, construction work of LCSs/ ICPs is stalled due to objections raised by either the Border Security Force (BSF) of India or the Border Guards Bangladesh (BGB). Objections may arise out of design-layout of LCSs/ ICPs, design of fencing, number of gates, time of construction (day/ night), etc. Additionally, several common challenges exist across the LCSs/ICPs, including harmonisation of working hours with neighbouring countries, limitations in truck movement, absence of partner government agencies such as plant and animal quarantine, paucity of warehousing space, lack of digitisation on both sides, port limits due to a lack of cargo-handling infrastructure (Sinha, 2021). Both the countries want to address the existing challenges in order to promote seamless regional trade and logistics.

### Reviving regional waterways

In the last few years, India and Bangladesh have strengthened cross-border transportation through the inland waterway network. This provides a viable alternative to the congested land routes of travel and is also in line with India's primary interest "to efficiently connect the northeast with the main hinterland by using the waterways" (Chawla, 2017, p. 4).

Bangladesh and India signed the Protocol on Inland Water Transit and Trade (PIWTT) in 1972, with an agreement to renew it every two years. Despite this, the renewal remained irregular. It was only in June 2015 during Prime Minister Modi's visit to Bangladesh that the two governments decided to renew and move forward on the protocol (Chawla, 2017).

Through the PIWTT, India and Bangladesh have re-opened and upgrade another route for trade and commerce. It also established the standard operating procedure, including on expense sharing, voyaged permissions, and tonnage. In May 2017, the two governments also decided to start day-to-day passenger services and cruise vessels through an MoU (Ministry of Shipping, 2017).

Exemplifying interests in bilateral economic and political cooperation, India and Bangladesh have implemented their plans on waterways efficiently. Since a major part of the PIWTT routes inevitably passes through Bangladesh, this will give Bangladesh leverage to control the river routes.

According to Vasudha Chawla (2018), Bangladesh is also seeking to use the inland waterway routes to its advantage. For instance, it is argued that Bangladesh, with a dominant vessel fleet in the region, has a strategic advantage over India and can leverage this for geopolitical ramifications especially in terms of making India sign the Tista Water Treaty.

Beyond geopolitics, however, there are several challenges that the waterways need to navigate for efficient use and functioning. The seasonal changes in the region and their impact on the water levels, siltation of rivers (especially in the Sundarbans delta), requirement of regular dredging, and installation of additional infrastructure (such as locks) will need to be addressed to make the waterways navigable.

### The way ahead

Bangladesh is set to graduate from the UN's Least Developed Status to a middle-income economy by 2024. This carries several economic implications for the country including a likely increase in exports. Therefore, investing in regional connectivity projects to gain economic dividends and offset the removal of concessional financial benefits becomes important.

For sub-regional connectivity, Bangladesh can leverage its strategic location, in particular access to the sea. The connections between Bangladesh and the NER of India will open new avenues for trade, commerce, investment, and other activities, which can be further facilitated through the development of protocol routes of waterways. The effective development of the waterways, rail, and road routes might also benefit the BBIN agreement if Bhutan opts for waterways to supplement roadways. In addition to BIN (leaving out Bhutan from BBIN), the implementation of the proposal to establish a South Asian Sub-Regional Economic Cooperation (SASEC) consisting of Bangladesh, India's NER, Nepal, and Bhutan could be a productive way to connect this sub-region. SASEC could also complement the BIMSTEC infrastructure

and logistic initiative. It will help to enable a continuous geo-economic space for Bangladesh and Northeast India.

The realisation of the full potential of the Bangladesh-NER of India region will also depend on bilateral relations. The resolution of some of the outstanding issues between the two countries such as the Teesta River Agreement and joint water management of other transboundary rivers will add to the peaceful and productive connectivity in the subregion.

The immediate agreement on the proposed Bangladesh-India Comprehensive Economic Partnership could bring in added momentum to the Bangladesh-NER of India sub-regional cooperation.

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