Paper Launch and Webinar:

Beyond the coastline: India’s land connectivity options around the Bay of Bengal

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The following is an edited and revised transcript of the event. It has been generated by human transcribers and may contain errors. Please check the corresponding video for the original version.
Constantino Xavier:

It is a great pleasure to host you all here for this CSEP webinar which marks the launch of a new paper that my colleague, associate fellow Riya Sinha and myself coauthored called “Beyond the coastline: India’s land connectivity options around the Bay of Bengal”. (Technical issue of audio). It is a great pleasure to host some of our speakers here today who will help us go through this paper. Thank you for making time. Particular pleasure to host former army chief General Mukund Naravane. Thank you, sir, for joining us here. Looking forward to your comments based on your tremendous experience in serving across India and in particular in the eastern command focused on the northeast region. We have with us ambassador Riva Ganguly Das former high commissioner of India in Dhaka in Bangladesh who has followed these issues for a long time. Welcome ambassador. Looking forward to your comments also from the perspective on India the northeast and Bangladesh. We have with us Mr. Soheil Kazani, he is a founder and executive director of Bharat Freight. Soheil, I believe you are in Yangon in Myanmar. So, perfectly placed to tell us little bit how infrastructure connectivity is being seen from that side. In particular because you have been running a quite difficult operation in taking forward the Kaladan multi-modal project in which your company has been involved despite many challenges. Finally, we have with us also two more speakers. We have ambassador Shahidul Haque. Shahidul Haque is also joining us from beyond India’s borders. He is in Dhaka, Bangladesh. Ambassador Haque, welcome. Its great to have you. You have been a great friend of CSEP and a great champion of regional and subregional connectivity. In particular is the one of the longest serving, if not the longest serving foreign secretary of Bangladesh, you have seen some of the most interesting times in India Bangladesh infrastructure connectivity over recent years. And finally, joining us from Singapore Dr. Amitendu Palit. Hello, Amitendu, welcome. Good to see you. You have been a comrade in arms in matters of research on geoeconomics connectivity that we coauthored a report, co-edited a report last year at CSEP on cooperation and connectivity in the Bay of Bengal region for those who are interested. A series of policy briefs on the Bay of Bengal space more from a maritime angle. This paper looks a bit at the hinterland, inland connectivity which is always a tough one. The maritime domain is traditionally an open sea, of course, not governed by single states. But looking inland, it is far more difficult to build bridges, ports, use rivers as arteries of commerce, we are dealing with a variety of organizations, states in the land locked regions sometimes such as the northeast region. So, with that I will pass on the word to Riya Sinha. Riya will present and walk us through a little bit of the paper that we published here at CSEP. Which is online of course, available too. And the we will have a discussion with the panelists in two batches, a little bit on security and the politics of connectivity and a bit on the transportation, regulatory policy issues on transportation connectivity beyond the seas between India, Bhutan, Nepal, Bangladesh, Myanmar and Thailand. Riya, over to you.

Riya Sinha:

Thank you Constantino. And good evening, everyone. Thank you for joining us today. Let me share my screen first. I will give a brief overview of what our paper is about before we delve into a deeper discussion on the topic. So, this paper beyond the coastline- India’s land connectivity options around the Bay of Bengal, this idea emerged as part of the Sambandh initiative that Constantino and I run at CSEP. We started this in 2020. And we focus on India’s links with the neighboring countries. A lot on infrastructure as well. One part of this was a realization in the last ten years as we were analyzing we observing that New Delhi has adopted
an ocean centric view of connectivity in the Bay of Bengal region. And this includes developing ports infrastructure, maritime shipping agreements, naval exercises, harnessing the blue economy, etc. So, we also wanted to see what is the progress on the hinterland side of it. Is maritime connectivity enough and this is what the paper looks at. We look at what is the importance of developing these land bridges in the Bay of Bengal region and the last part of the substantive part of the paper comes in, we give eight recommendations on both hard and soft infrastructure side to improve hinterland connectivity in this region. This paper surveys all the initiatives, it identifies gaps and suggests those eight policy recommendations for India to complement its Indo-Pacific maritime outlook with a land-based connectivity strategy. Because unless and until there is a multi-modal connectivity around the Bay of Bengal region, India’s investments along the coast line will have limited utility. This was also stated very recently by Dr. S Jaishankar at the Indian ocean conference where he highlighted the need for lateral land based connectivity in the Indian ocean region to complement the maritime initiatives that India has been pursuing. So, the second part of this paper, we explain the gaps in land connectivity towards the east and what have been the factors that continue to delay it. So, the persistent problems that exist today are in terms of the many projects that India has undertaken, whether bilaterally or at regional level which have not really been completed. These include the Kaladan project, some parts of which are yet to be completed and we will hear more about it from Mr. Kazani. There is still no railway connectivity with southeast Asia. BIMSTEC is planning on implementing the maritime agreement, but rail and road agreements, we still don't know what is happening with them. BBIN-MVA the motor vehicles agreements have also been delayed. When we look at the trade figures, India’s land based trade with Myanmar is actually less than 1% of its overall trade with Myanmar. Whereas comparing that with Thailand and Myanmar, it’s at 90%. So, clearly there is a big gap to be filled here. And this kind of situation has emerged because of various causes. We evaluate three in this paper, including the economic, political and geostrategic obstacles. This includes a historical policy of protectionism. There is no comparative advantage in the region, most of the countries trade in for example, textiles. So, where is that potential to build the supply chains in the region. In addition, the land borders for various reasons we have seen that New Delhi looks at it from a security perspective rather than a facilitator of economic linkages in the region. Geopolitical factors also play a big role, specifically the geopolitical divergence between India and China that has derailed some of the cooperative connectivity engagements including the Bangladesh China India Myanmar corridor, the trans Himalayan economic corridor etc. Then when we look at all these causes and what's happening, there is also an unrealized potential of these missing land bridges and several studies have been conducted for it. We surveyed some of them in the report. Including one by World Bank which states that increasing trade between south Asia and southeast Asia could boost GDP by 10%. India’s export potential to Myanmar can increase by 30%, this was a study by the Land Ports authority of India. While other regions have been able to capitalize on this, ASEAN region and Africa with their land ports, there is still a lot to be done on the land connectivity, on the hinterland connectivity front between south and southeast Asia. And this is also a result of imbalanced response, a lot more focus on the maritime side than the hinterland side. There are several reasons and several dimensions for it. One is the internal because most of our… 70% of our trade by volume and by value takes place through the maritime linkages. Other countries in the region including Bangladesh have an Indo-Pacific outlook today. India’s also had maritime agreements, port connectivity agreements between… its eastern coast ports and the ports of Thailand and Indonesia. And its also a geostrategic response to China’s growing
‘belt and road initiative’, various projects under the BRI in the region. Moving forward we look at after evaluating all of these causes and what's happening and what the potential can be, we look at various initiatives that can help us, that can help India overcome this hinterland connectivity gap both on the hard and soft side. First on the hard infrastructure initiative one is of course, road connectivity. 70% of regional movement already between India and its neighborhood towards east already takes place through road. Yet there are challenges such as lack of mirror infrastructures, we cannot broaden a lot of our roads because of land acquisition issues, there is a lot more focus on building roads that are bordering China at the moment and less on moving towards the east. The second factor is rail connectivity and even though 6 out of 7 railway linkages with Bangladesh have been revived, there are still lot of challenges that are persistent in these regions. That is including in the north east region where we are developing railway linkages. But they are not really going to the border areas. They are just within the northeast. Similarly, with the ICPs while India is developing the integrated check posts or land ports on its side and the plan is to have 23 of these land ports by 2025, it's not matched by mirror infrastructure in the neighboring countries. So, while the infrastructure on the India side maybe good, there are still challenges in moving goods and passengers on the other side of the border. And the dry ports need to be built to complement the sea ports in the region. We right now specifically in the northeast region, we don't have enough dry ports or multimodal logistics park to cater to the growing cargo needs of the region. This can be overcome in several ways and of course, without hard infrastructure it’s very difficult to move goods across. So, we suggest infrastructure upgradation on both sides of the border, digital initiatives, customs cooperation, having a regional single window system or at least mutual recognition agreements. We come to that later. And to develop more of dry ports and logistics park in this region. These hard infrastructure initiatives also need to be complemented with some policy instruments and we delve into five of these in the paper. One is to enhance domestic coordination and institutional capacity. Which means, greater role of line ministries when it comes to regional connectivity initiatives. Specifically, the infrastructure initiatives that we talked about, the role of NITI Aayog engaging with the border states and strengthening subnational diplomatic presence as well which will have facilitated a lot of these infrastructure linkages in the region. The second is supporting cross-water political stability and security. By investing in consultation mechanisms and India has done this in the past with the road network in Afghanistan. There is a template that can be taken towards India’s east as well. Another option is to explore new regional and international partnerships, there is already ADBs SASEC program, JICA, Japan is involved in several projects in the region. The US is and the Europe is. There are these mechanisms that can be explored further. And the last two are collaborating on norms and standards which means data sharing, harmonization, mutual recognition agreements and implementation of the WTO trade facilitation agreement, not just in India, but also in the region. And lastly through private sector participation how we can involve more private logistics players, specifically in the dry ports, in the operation side of it, to run private container trains. There is a need to involve more and more of these players in the region. Thank you, I will stop there. Tino, can you take over, please?

Constantino Xavier:

Thank you, Riya. Phenomenal job in 10 minutes to summarize 15000 words and months and months of research is not easy. But I think you really communicated well, the gist of all of it. But in the first… I think we have an hour onwards now and in these 60 minutes the first 30
minutes I want to take a step back. And share with our panelists and sort of push them a little bit to help us in one very specific way. The greatest feedback we got, the most frequent feedback we got on this paper as we did it as we presented it was, this is all so easy. What’s the problem, build the bridges, build the power transmission lines, build the roads, let the goods flow, let the railways be built, upgrade the infrastructure, build ICPs. And it was a learning experience for Riya and myself. Another very interesting question we got was, where is the foreign policy element in all this. This is all economics. Its all win-win. Bring in the capital, bring in the expertise and naturally the region will come together and as you build infrastructure and interdependence, people will cross the borders and we will become friends and there will be a peaceful south Asia. If Europe has managed it, if other regions have managed it. Now I see smiles already. But I think it’s a very important question that we have been asked. And there is something very fundamental which is politics, security and non-economics. Right? Of course, many of these questions that we get because of course, we have many good colleagues who work on economics, on trade and come with economics hat. But I think it’s incumbent on us to talk a little bit about this very important question is, why have these things not advanced. Why has it been so difficult. And what are the solutions which Riya and I identified, of course, and how we can correct this. General Naravane, let me start with you. Because no one else is better equipped given your experience to answer this, as a former army chief, as someone who has dedicated your career to protecting India’s borders and boundaries and borderlands from a variety of external threats. Pakistan and China, different moments, insurgents, militants, criminal networks. That is ground zero and you have, all the people in the army have spent a lot of time on that ground zero. And the army naturally is probably the most conservative institution. It is always suspicious about flows and movements and mobility across borders, because that is in your DNA to protect the borders and to control and monitor flows. So, I was very, very intrigued and I was actually very happy to see your 2021 address at the united services institution. I think it was an event with the Assam ripples. You had a very interesting sentence. And I saw the entire address, where you said that actually internal security is correlated positively with regional connectivity. So, basically, you are saying that the internal security situation in northeast region benefits from greater linkages and connectivity with neighboring countries. Not all, I can think of one that you have left out, in fact, you warned about the China issue. But let’s leave the China issue to the side. But if you could help us understand, why did you say that in 2021. Is that new and how does it look like? It is not easy. It is easier said than done. So, if you could walk us through a little bit on how you see the linkage between security from military but also broader perspective and connectivity in the northeast region with India’s land neighbors. Over to you sir.

General Manoj Mukund Naravane:

Thank you. On the outset I would like to say that I am very happy to be here and part of this panel discussion. I speak I think for all of us when I say that you and Riya have managed to present a very well researched paper for our consideration. My compliments to you all for that. I had one observation on the title. When we say land connectivity beyond the Bay of Bengal, when you say land, you think of land only. And not surface. Because then, you tend to overlook the rivers. And the inland water transport. I think especially as far as Bangladesh is concerned the IWT and the waterways carry a lot of importance through which also the connectivity can be enhanced. Especially to our northeastern states, especially to Tripura for example. That was just one observation from my side. When we are talking about connectivity and between south
Asia and southeast Asia, we had our ‘look east’ policy which got converted to ‘act east’ and in ‘act east’ it went beyond southeast Asia to include even Korea and Japan. But the main thrust of this policy was actually to benefit the northeast. So, it is not only ‘act east’, it is through east. It is not ‘act east’ from New Delhi. It is not ‘act east’ or connectivity from cochin or Vizag… sorry not cochin, from Chennai or Vizag. So, the idea was that we should do this through our northeastern states. So that they also develop. Unfortunately, as has been very well brought out, that is not really happening. Now primarily when we look at our northeast, we have Bangladesh and Myanmar. The two countries which majorly connect through south Asia and southeast Asia. Now with Bangladesh, we have the borders of West Bengal, Meghalaya and Tripura. And with the Myanmar we have Arunachal, Nagaland, Manipur, Mizoram. Four states that side and three states this side. So, it’s big, a large number of states and each state is a player by itself. And each state also has their own sort of agendas which are not necessarily aligned to the national agenda. So, that also makes a little bit of difference. Now, why I have always said that, when you study insurgencies and such like things all over the world, they have always had an underlying economic reason, a feeling of depravation, a feeling of not getting your dues. And that has what actually has spurred insurgencies worldwide and it’s no different for our northeastern states either. When they compare themselves with the rest of the country, with the rest of the world, they do feel that they are backward. And that feeling of discontent is what is leveraged by these elements to gather more people into their fold. But if development were to be there, if a person had Roti, Kapda, makhaan, then why would he go and join an insurgency group? Why would he go and sit in the middle of the jungle when he can have a good family life and etc. And therefore, this is dynamic and it is interconnected. You have good development, you will have less insurgencies and vice versa. The precursor to development is peace. And peace is there, there is no insurgencies. It is both ways. And that’s why it is very important, especially in our border states. Of course, the entire country should be peaceful. Especially in our border states, we must have a peaceful environment. Only then it will be possible to have these trade linkages. If the environment itself is not conducive to that for example if you take the connectivity with Myanmar, through Tamu, Moreh, Moreh on our side and Tamu on the Myanmar side. It has to go by road mostly from Dimapur, Kohima and Imphal than down beyond. The entire area is insurgency affected. Every 50 km there is a different insurgent group. Every insurgent group takes his cut. Which sane person will send goods through the land route? When there is no guarantee of it reaching, whether the truck will be hijacked or held to ransom or how much donations and tax he will have to give throughout the route. When you factor in all that obviously, he will go in for the safer and better and more reliable option, that is by shipping through the sea lanes. So, therefore it is very important that we, when we say we it is not just the Indian side, it is on both sides of the border. But we have to have a good stable environment on the India Myanmar border, the Myanmar Thailand border. I am not touching on Bangladesh because I think we are very well off as far as Bangladesh is concerned. But when we are talking of connectivity into the rest of southeast Asia both those borders need to be safe and secure. Which are not at the moment. And therefore, this lack of trade or whatever, although the potential exists, it is not happening. I will end my comments.

Constantino Xavier:

Briefly, it’s a fake discussion to say connectivity leads to security, security leads to connectivity. Do I hear from you saying that pacifying these regions first will allow for connectivity? But what ways is the army also supporting connectivity? Enabling that space for
the free flow of goods, of building new infrastructure. Is that a role Indian military is more comfortable doing more of these days or less or still skeptical about?

**General Manoj Mukund Naravane:**

Our role is not to become enablers. Our role is to bring the law and order situation to such levels that normal activity can take place. So that normal road construction can happen, normal infrastructure development can happen without people being always under the threat of extortion by a number of rival groups. So, we are not against development. We feel that the more development there is, the less the insurgency will be there. So, we would always welcome and we always act as facilitators. If say, some plant has to be moved. Some machinery has to be moved from place A to place B and there is an apprehension that they may get kidnapped or hijacked, yes, we will provide security to that column of vehicles so that they can move freely to wherever they have to work. But to expect us to be guarding every other infrastructure project, that is little beyond the scope.

**Constantino Xavier:**

Last very briefly then one point that may help also understand the logic between connectivity and security of course, the border with Bangladesh is being fenced. Mostly or has largely advanced. There are now reports on restricting circulation on the India Myanmar border and possibly fencing it too. Your comments on that. Is that something that actually helps mobility or actually hinders. Say for example India Myanmar connectivity in a human way.

**General Manoj Mukund Naravane:**

You see, the underlying reason for fencing on our western borders and eastern borders is quite different. On our western borders there is a high threat of terrorism, proxy war, state sponsored terrorism and therefore the fencing of the western border which has taken place and it has cost, at a ballpark figure 1km cost 2 crores. So, that is the kind of threat and that is the kind of cost. So, we have to do a cost benefit analysis whether the fencing actually helps or hinders. Specifically speaking about the Myanmar border, I am not touching so much on Bangladesh because we have two experts from Bangladesh and both the ambassador and the foreign secretary. The threat from the Myanmar side is not so much of terrorism. The threat is mainly of other transnational threats like drugs smuggling, drug peddling, arms smuggling, animal parts, those kinds of activities which, even if you have a fencing all along the 1643 km border, will still happen. The level of the threat is not that much. To justify that kind of expenditure. But the fencing by itself is neither good or bad for trade. After all you have fences and checkpoints the world over. And trade passes through those checkpoints. That is why you have the ICPs on either side. You have your customs and immigrations people at these ICPs, so they facilitate. So, it’s not a question of fencing, with or without that, I come back to the same point that unless you have a stable and peaceful environment trade will not happen.

**Constantino Xavier:**

Thank you General. That really sets the tone very well in terms of the dilemmas also and the dynamics that these borderlands face between flows and mobility. The many positive externalities of military presence in supporting development and infrastructure connectivity without guarding of course, each bridge and transmission line. But there are indirect positive externalities. Ambassador Haque, I risk saying that on the Bangladeshi side, we see almost a
little bit of an opposite trend. There is securitization of connectivity. Every transmission line coming from India is somehow a threat to the territorial sovereignty, integrity and power independence of Bangladesh. But if you could help us, I am reminded of your discussion recently on how also connectivity is seen very differently from border areas and from the respective capitals. So, you give a bit of perspective from Dhaka on how the security connectivity link is seen.

**Shahidul Haque:**

Thank you very much for the question and also for inviting me to share my thoughts on it. In terms of looking at connectivity from the security angle, it's always been there. So, there is no question. The question is Bangladesh looks at connectivity more from a development, trade and peace angle rather than from a security angle. Its there. But it is not on the forefront of the policy consideration. As opposed to India, which sees the relationship in fact, between mostly from the security angle. But certainly, there are changes. Now question is what security that we are talking about. Is it the state security? Or regime security? Or the people security? So, that has been always in the discussions. And the more you focus on state security, the security of the people whoever is there in the borderline area or beyond border gets less and less attention. And also, less participation and less possibilities of success. So, having said this, let me see where the whole idea of connectivity in Bangladesh and India rests. Now, there has been a tremendous achievement in terms of coherence on the need, significance, impact of connectivity between Bangladesh and India, starting in 2014, 15, 16, 17 and if you look at the history, I think there are about 15 kinds of an understanding reached between the two countries and lot has been achieved. But lately we see, there is a trend of slowing down of implementation of those and behind this slowing down its not only that you have to have a road enhancement projects where you need to get land acquisition and all kinds of things or coherence of policies and others, but also the whole perception of people as to whom this connectivity is likely to serve. So, having said this, now the whole connectivity is not a standalone, neutral connectivity idea. It rests on the broader relationship, it rests on the perception of the people on both sides. There, I think we have reached to that level where that has to be taken into consideration. How people see this, in terms of their own future, their own security, their own wellbeing or if the perception is that it is still state managed connectivity and we do not have participation in it or we are not sure as to how… people are not sure as to how this will bring a benefit for them.

**Constantino Xavier:**

What about on the Bangladeshi side?

**Shahidul Haque:**

I think still people are not sure and in between there are misinformation and all kinds of things goes around, which has also sort of slowed down the confidence that at what stage people had on the whole idea of connectivity. Now the question that is raised, connectivity for whom, by whom and for whom. Is it only for business or our wellbeing? So, that needs to be taken into consideration. And that actually goes to the basic question of what security you are talking about, whose security you are talking about, what kind of a security that we are talking about. Now the initiatives that we see across the border, at least the Bangladesh India, has been basically state run. To some extent no businesses are coming because of the profit and all kinds of things. But the people have not actually been involved. There are lot of kind of an enthusiasm,
possibilities, if you go to say, Tripura, you will see lot of exchanges. But those are very… can be spontaneous, not much connected with the connectivity that we are talking about which is run by the state. So, there is a disconnect between the state’s initiative and people’s aspiration to get connected. I am not questioning the aspirations, I am only questioning that these two are not connected and therefore we see sometimes people take advantage of the disconnect and where some of the successes that we could possibly get out of this connectivity is coming around. When I go to the trilateral issues, I will bring this whole idea of disconnect between the state run, market run connectivity initiative and people’s aspirations to be a party to it. Either there is no scope or there are no possibilities. And in between many people play and things come in. Now coming to the whole issue of a security I think connectivity should be seen as securing the wellbeing of the people. Especially those who are residing along the road of connectivity. This could be road, it could be river, it could be anything. So, that is one. The second one is that, we cannot sort of take the connectivity out of the relationship and the environment and say that this is what is going to happen and if it happens then the overall relationship will improve. I doubt it. It actually anchors in the overall perception, overall relations of and between the two countries. I will stop here. Thank you.

Constantino Xavier:

Thank you, Ambassador Haque. I think it’s a good perspective giving us a reality check on how the idea that you can disconnect connectivity from other dimensions in the relationship, political security is very difficult. It may be feasible in India, for many reasons. Its probably very difficult to do that in Bangladesh for many historical asymmetry relations. Right? That’s why the trend seems to be securitising things a little bit politicising them, not in a bad sense but these are important questions. You can't think of them separately from bilateral relationships that has been very good at its best between India and Bangladesh. And similar on the Indian side we see a de-securitization. But still probably too much from your perspective on working on these things. I would like to get ambassador Riva Ganguly Das in on this. To say a little bit on the Bangladesh India angle. Ambassador, you served in Dhaka at a very important period also when these initiatives were being fleshed out. If you could help us understand why this is political. Also, what are the arguments you use to explain that this is a common benefit for the future. How can you convince people, is it impossible to convince people? I find it very difficult sometimes to go to Nepal and say that whatever India is doing on connectivity is in the interest of Nepal. People say no, no, it is in the interest of India. It is another form to dominate control and there will be asymmetric distribution of benefits. Ambassador?

Riva Ganguly Das:

Thank you, Constantino. Thank you, Riya for this wonderful paper. I think it’s very useful research that you all have done. I would look at connectivity from a slightly different perspective. Securitisation of the border has always been there. I think we have always looked at the border from a security perspective. Let’s not forget that this whole 4900 plus kilometre was, is Pakistan at one point of time. But despite that till 65 it was a soft border. A lot of people don't know that it was very easy to move from one place to the other through the soft border till 1965, when the border became a hard border. Now we are moving towards a different direction. Now I feel that there is a perception issue in Bangladesh. But I also look at perception from a time when I was posted there in the 90s. I was there from 1990 to 2002. And that was a time when you could not even utter the words transportation, transport corridor, connectivity. Any
political party that even uttered these words was committing political hara-kiri. Awami league was in power. They tried to do it, but the kind of backlash that was there, the public sentiment was so strongly against any kind of connectivity and transit was seen as a big Indian design and all kinds of things were written in the newspapers. So, it was a complete no-no at that point of time. From there we have reached a stage here now that trains are running for both for goods and for people. When a train full of people move from one country to another, the kind of cascading positive effect that has, is built up over a period of time. You and I are not going to be able to see it today or tomorrow. I think what the big chunk of the perception that was changed was really two things. One was the Prime Minister Sheikh Hasina’s action against the insurgent, Indian insurgents, thereby making the border comparatively secure. I have travelled in the northeast and I have heard N number of governments there say that now it’s a border where you are not only dealing with insurgency on a day-to-day basis. The second was the land boundary agreement. I think we should never forget the tremendous impact of the land boundary agreement on the relationship in terms of setting the perception, the perceptive. During the period that I was there as high commissioner, I did not… there nobody could give a coherent reason why they should not go in for connectivity. There are always in Bangladesh a section of people which will always oppose anything that Bangladesh does with India. And there will be a grand design behind anything that is done because it is seen as India’s grand design for some sort of something from which Bangladesh will come out negatively. But I feel that for the business community which is benefitting from the connectivity projects, look at the Chattogram and Mongla connectivity, the MOU itself, the SOPs themselves say that all the transportation will be done in the Bangladeshi vehicles. It’s a huge business opportunity. If you look at inland waterways, which General mentioned about, out of the 3000 boats that ply on the Indian waterways, under 100 are Indian, are under the Indian flag. So, the obvious business opportunities are there. The situation in the mainland and around the border is different. I agree with the ambassador Haque that sometimes the border situation is very different and policy makers sitting a little away from there do not really understand the border conditions. But I think the situation is very different today from what it was and if we cannot move faster on connectivity at this stage, I don't think we can ever do it. It is the best situation that we are in right now. Even during the political… in the heat of political campaigning I did not notice anyone say, very vociferously that cut off all the connections. Everybody benefits from that. Look at the number of visas we issue for medical treatment. The closest place where a Bangladeshi can go to see snow is Sikkim, a special carve out has been done for Bangladeshi tourists for Sikkim. And you can go in a train up to new Jalpaiguri. Which is really the place from which all northeast and north Bengal tourism starts. I think this is a very good place we are in. But of course, we live in an environment given the Myanmar situation it’s a very, very sensitive and delicate situation.
project. No better example than yours in telling us how much politics and security go into building ports, river navigation, having engineers on the ground working this through, dealing with local authorities, not only central Myanmar government, but also the state level and the Rakhine state in this case. It’s a lot of work. How have you dealt with last few years?

Sohel Kazani:

So, it’s been precisely four years and two months now that I have been working in this region. And to begin with let me just break down the Kaladan project in three parts. First is the Sittwe port that we started with. To get it activated which we did successfully last year in January 2023. And then had it formally inaugurated by the shipping minister in the month of May, 9th. So, when it came to Sittwe we had fantastic cooperation from the Rakhine state government, from the Junta government and even from the Indian government side. And the first vessel that we sailed from Myanmar was towards Bangladesh in January. And the inaugural vessel was from Kolkata to Sittwe. So, both went pretty smooth. From the first day itself to my surprise, where I thought that I would have lot of issues with the ethnic groups out here. It was a scene to see that we had the Rohingyas people coming from the Rohingya camps to work for us. We had the Rakhines the Arakanese and the Burmese. All three ethnic groups working together to operate and handle the cargo. Operate the vessel and handle the cargo and back up our port operations. So, it was quite contrary to the theories that I have been reading and expecting problems but it was the other way around. After the inauguration we had this Mocha storm where there was a lot of damage to the port. And again, with the help of the local police, the government out here, we got lot of support to again bring it back to normal and start the operations. And we handled more than 50 vessels of relief from the day of Mocha till the next six months and to build the entire Sittwe and Rakhine state back to get it back to normal. But then came the unrest between the Junta and the Arakan army, where the fighting started. But then the town and the port area has been very specifically agreed that will not be touched by any of the armies. So, whatever fighting goes, it goes 5 kilometres outside the township and the port area.

Constantino Xavier:

How was this achieved? How these three successes? Why and how? I am saying you give us three good examples how your connectivity or the project was not affected or had obstacles that were expected, but did not materialise. How and why was it? How did you achieve that?

Sohel Kazani:

I haven’t done anything to achieve that. But let me tell you, the reason was that the Prime Minister’s wife is from the Rakhine state. So, there is some kind of sentiment that they wanted to develop the Rakhine state. So, after the Mocha storm if you see, the Prime Minister and his entire team stayed in the state of Rakhine to redevelop it and bring in all the relief cargo. And they did not allow a single foreign entity to bring any cargo into Rakhine state. They got it all delivered in _ and moved it into Rakhine. So that the state the Arakan realised how much the state central government is wanting to do for them. So, there was a lot of work done that time. But something went wrong from the Chin state, _ gone into the Rakhine state and then the unrest and the war started. So, it was these multi states fighting with each other and this with the central government. But both being very clear that they don’t want anything to be tampered
with the Sittwe project or the Indian assets as such. So, this was something that was a very important project for the state and the Myanmar government which both of them realised and agree upon. Because it is not only giving economic benefits to a very underdeveloped state, but at the same time assuring India of its safety of its investment and continuity of the project. So, this was about Sittwe. Now coming to the river between Sittwe to Paletwa. That dredging is kept on hold because they said once the Paletwa road connectivity is done to the Mizoram border, till such time they do not want to dredge anything in the river. They don't want to spend any amount in the dredging of the river connecting the two ports. But coming again to the Paletwa side, that port is also safeguarded from all the unrest and our people have been looked after well out there. Not only that, even the road contractor who is belonging to the Arakan side has been allowed to continue the work and the road work also did not stop despite the fighting, despite the numerous amounts of landmines lying there. They continue to still work and the work is still on. So, if you talk about Kaladan project, yes, some work has slowed down on the road side because the logistics for reaching the materials out there have been a challenge. But other than that, there has been no… none of the contractors or the work or the operations or the operators in the Kaladan project have been affected at all. this is about the…

Constantino Xavier:

Thanks. If I may come to you back when Riya takes on the second batch of questions. But I think it’s very important what you just shared because it gives us a sense that somehow these projects are seen to be beneficial by various active parts in the conflict and they are almost untouchable. There is sort of bubbles that survive the chaos and the violence around it. I think that’s a good example of how maybe connectivity can, projects can move in parallel with connect with instability that can happen occasionally. But if I come to the last speaker on my round, Amitendu Palit. Amitendu, if you could tell us a little bit, how these fits in the larger regional framework. We talked a lot about Bangladesh, northeast, Myanmar, but there is also a larger attempt to give the south, southeast Asia relationship aligned dimension. Inland dimension. Trilateral highway in the works for what 20 years now? I think Cambodia, Laos is interested to join also. But the ties keep asking what is happening. It’s going in bits and spurts. Not much happening and I think you are also doing a project with CII and NUS where you are on the sort of broader Indo-Pacific or south, southeast Asia angle of connectivity. If you could tell us what the perception also a little bit from the ASEAN countries and China countries on connecting with India are, but its all useless. We hear a lot of people saying why, who cares about land, inland connectivity is very difficult. Myanmar will be torn by conflict for the next few years. The northeast region is a difficult region. Let’s keep focusing on the maritime connectivity on shipping, on digital, which you have done work on. Is that a sensible proposition?

Amitendu Palit:

Thank you, Tino. Thank you for inviting me to this brilliant and engaging discussion. And let me begin by congratulating you and Riya for this very rigorously researched, well authored paper. Let me try to address the concern that you raised upfront. Look, I think the biggest sense that I get from your paper and my training as an economist combined with the current geopolitical realities, understanding of the regional issues, makes one thing very clear. The question of connectivity is actually multi-dimensional. In the sense that whether it is south Asia or whether it is southeast Asia or the greater Indo-Pacific, goods need to move, people need to
travel. There could be misunderstandings, lack of trust, other complications between regions, but then goods have to travel all over the world to reach people in various parts of the world. In that respect there is a point that I would like to make that when we talk about maritime connectivity it’s a straightforward understanding that almost 70 to 75% of the global goods are travelling by the sea. But the consumers are not living on the sea. Producers are not making their goods on the sea. They make those inland. So, what is important in this regard is that, what is moving across the water, needs to reach the people who require them, who are based inland. And sometimes very deep within land. So, what that further means is that connectivity cannot be unidimensional. Connectivity has to be multimodal and even if we champion the cause of maritime connectivity for open seas and greater seamless movement, that seamless character is inefficient without inland connectivity that needs to be built up. On the same scale with equal productivity. This is particularly true for regions like south Asia and southeast Asia which are actually sitting next to each other. They have land contiguity, there could be challenges in proceeding forward on land connectivity. But it is an absolute necessity. It is an absolute necessity because unless from ports the backend hinterland connectivity flourishes and people are made to realize the importance of participating in that connectivity as producers and consumers, the greater challenge of getting stuff to people across the world will remain an unfinished agenda. And I think it is important to note the fact that when we talk about south Asia and southeast Asia, we are talking about a huge chunk of the global population. This is a chunk which doesn’t have much of what it requires and much of what it will be requiring in the future days. So, they need to rely on what is coming to them from other parts of the world, including from within themselves. So, I think that is where this question of inland connectivity becomes extremely important. I don't want to get into the technicalities of supply chains but I think at the end of the day cross border production networks cannot really survive and thrive without effective multimodal connectivity.

Constantino Xavier:

Thank you, Amitendu for that reminder, in particular point that we made in the paper and I am glad you brought it up. In fact, it reminds me of external affairs minister Jaishankar, who went to the Perth conference, Indian ocean conference, where he actually alerted to this point that we need to focus on maritime connectivity but we need to build the links that connect the coastal regions to the inland area. And in fact, I think he calls it the lateral land based connectivity. That is the term he uses. Think you Amitendu for that. With that and some delay, Riya, you will have the tough job in maybe 15 to 20 minutes to get the five speakers to address some of your last points on the connectivity side. I will pass it over to you, Riya.

Riya Sinha:

Thank you, Constantino and this has been a really good discussion on security specifically addressing a lot of these concerns that come up when we are talking about connectivity and that’s a question that we always get. But moving on and Dr. Palit, that was an excellent point and building on that point that connectivity is multi-dimensional, in this segment we focus on how to make that connectivity happen. What are the hard and soft infrastructure capacity, challenges that we need to focus on in order to build better linkages between south and southeast Asia? Without further ado, ambassador Das, if I can start with you first, there is this whole narrative in the region because of China’s increasing engagements in the region and in the
infrastructure sector, there is a sort of comparison that perhaps China is able to deliver projects at much more speed and scale as compared to India which has had a legacy of delayed projects. This has changed over the last few years. But then, in the sense of a narrative that does continue. So, in your experience, does India have the necessary institutional operational capacity to implement these projects and what is the comparative advantage that India brings in this whole connectivity agenda?

Riva Ganguly Das:

I think its absolutely… we cannot really compare the Chinese model with Indian model. Because in the Chinese system they do something which in the Indian system would be absolutely unacceptable. Which is, identify a strategic project of their interest which serves their interest and is strategically important for them. For that they would identify one single vendor, go to the partner country and say that this is my vendor, this is my contractor and this is the cost. And do the project at this cost. Completely unacceptable in our system. We would never do that. In our system with its transparency, its a democratic system, our ministries if public funds are spent, we are answerable. There is a system of the auditors, there is that your reports have to be presented in the parliament. So, there is no question of doing these sorts of non-transparent transactions. Our system sometimes appears slow. Primarily because, we make the announcement of the project first. During a VIP visit or something important is happening, we make the announcement of the project first. After that, when we start doing that work, we realize that there are factors which were not taken into account. I will give you the example of Agartala to Akhaura train link. Now, you know the entire project was based on a particular kind of soil quality on the Bangladesh side. Now, once the digging started, they realised that the soil quality was very different from what was anticipated. And the technical specifications of the project changed. So, that, when a technical specification changes, it can bring about a delay of up to 6 to 7 months. Because technical people have to… it is almost like redoing the project once again. Similarly, the Mongla train link, because bridges got added or got subtracted, elevation changed, that brings about delays of one to two years because you have to go back completely to the drawing board and do the whole project again. Now, these are very technical issues which you cannot explain in the press or to public and say that these are the reasons. But it is the way the project is done. The big advantage of our projects is that there is price discovery as we call it because you have an open fair international tender system and at the end of which you get a product which is actually the price is what you are paying for it. Because lets not also forget that LOC, lines of credit is actually the host governments money again. And any simple examination of the cost which has been incurred on railway projects with or without bridges between India and China will show you that Chinese cost of 1km of railway track lanes will be at least two to three times of the Indian project. I think the whole system is different. We have a consultative process, we sit with our partners, discuss with our partners and only take up those projects where our partner is really… its necessary its something based on their needs, not my needs of which I am imposing on them. So, I think we are way different. And the perception is because I said… there are several technical reasons why there is this perception that we are sometimes slow.

Riya Sinha:

Thank you, ma’am. I think you make a very excellent point because the technical nitty gritties are very difficult to explain to a general public about, various specification and that has been
the case I believe with ICPs as well. And also, this leads me to segue back to Mr. Sohel Kazani on the Kaladan project. On the Sittwe port project specifically. Because it was very interesting what you said, those really good case studies of those really good incidences of what happened in the Sittwe project. And how Indian projects are seen as assets. But before you took over the terminal, there was ESSAR port which did face a lot of problems and it finally resigned in 2020. So, what is it that as a private sector player you did different to make the port, to make the terminal operational as compared to the challenges that ESSAR was facing?

Sohel Kazani:

I would say Essar the company that had the project was a pure EPC company. They were only into construction and maintenance whereas on the other side our company is a group where we have logistics, we have shipping, we have developed trade corridors. If you remember I started with the INSTC Corridor in 2014, where I could successfully link movements right from India till Russia. And we took the volume of Chabahar port from 3 lakh tons to 2 million tons. So, we have that experience, exposure, how do we… what kind of stakeholders do we get in. We got industry, we got other countries who are helping in the finance of the trade, we got countries which are good in shipping and interested in shipping in that sector. So, it is basically we had to create an entire ecosystem around the port. The port alone is nothing but it’s just an infrastructure. What we need to do to activate business was to get all kind of interest aggregated on one platform and then execute the trade. So, the first vessel that we did was cement and cement had not been going from India to Myanmar at all in the last five years. And we activated that business and the port together. So, the result was that our cement landed at 11000 Myanmar Kyats in Rakhine, whereas they were getting the same cargo from Thailand at 15000 Kyats. So, we made a big difference in terms of cost, we made a big difference in terms of interest in the port to continue this business and then the interest came from the farmers they want to use the port for and the vessel to export pulses, fisheries everything back to Kolkata on the same trade lane. So, this is one trade lane that we just activated. Similarly, the first vessel, the pilot trial we did was Bangladesh, Chittagong to Sittwe. So, there was a lot of interest of rice millers. There is a lot of rice milling concentration there which we understood and we understood that Bangladesh imports a lot of rice from Myanmar. So, we had to go industry specific, we also had to go specific to the size of vessels available in that area. We also had to understand as to what kind of banking and finance could be made available in this area. We have this idea of how we put these things together to finally activate the business. So, as a private sector we have a much broader outlook in terms of actualising and realising how to use the policies, how to use the trade interest, how to get the low hanging fruits immediately down and get the people moving. So, that is a very important role that we played. Which was never done by anybody before us whether it was INSTC, whether it was the Kaladan corridor and right now also I am activating the northeast ports in Assam that is Dhubri and Pandu towards movement of cargo from Bhutan to Bangladesh. So, our role is purely business oriented you can say. We see where the issues are, where the gaps are and we try to execute those trades given the resources and the infrastructure in the benefit of both sides so that we can make business as a port operator.

Riya Sinha:

Thank you, Mr. Kazani. I apologise I got logged off for a second there. Bandwidth is also not immune to connectivity issues it seems. Thank you very much, Mr. Kazani. Ambassador Haque,
if I may come to you next, in the last segment you did speak about the disconnect between state market and in various connectivity initiatives. But going externally where do you see the scope of regional trilateral or quadrilateral mechanisms in the region? We do have some players in Japan in the region and India does, India, Japan and Bangladesh to have cooperative mechanism. But beyond that what is the scope and what are the challenges that within Bangladesh that can hinder such a cooperative mechanism?

Shahidul Haque:

Thank you very much. First sort of let me clarify that I fully agree that significant achievements have been made over the years. There is no doubt I fully agree with ambassador Riva Ganguly das. But the question is I also see headwinds, I see slowing down of the speed at which things started off in terms of connectivity. So, that needs to be taken into consideration. Second, connectivity as I see is not only an economic act, as Mr. Palit had rightly pointed out. Its highly political and culturally shaped, especially when you have multi-ethnic community along your connectivity routes. I was little kind of surprised to hear Mr. Kazani as how the Kaladan project is running, because the information that we have seems to be not in line with that especially with the taking over of Arakan army and now we have Chin and others coming into the play. But if it is so, congratulations to Mr. Sohel Kazani. Having said this, now the question is the whole trilateral, quadrilateral. As I said that these trilateral, quadrilateral has to be placed in a bigger context of relationship. In this case between Japan, Bangladesh and Japan India. Which is absolutely unique. Bangladesh enjoys a very good relation both with Japan and India and Japan and also between Japan and India. So, this is a very good political kind of a platform to take forward something like that and there has been a discussion. What I am suggesting and which ambassador Riva Ganguly also said, we are passing through a very opportune moment. We may not continue to have it in the future. And if we do not make significant progress right now and establish these initiatives we may lose out in the long run. I fully agree with it. Having said this now, there is lot of discussion, lot of studies that linking the whole northeast including at one stage Bhutan and the Nepal, with Bangladesh and into the Bay of Bengal with the Japanese help, with the Matarbari projects and all. These are very good initiatives but some bit of it is still at the political rhetoric level. I would call it rhetoric and whatever projects currently implemented is very ad hoc. Matarbari project. Still there is a perception Matarbari is for Bangladesh. It’s for Japanese investment. The people who are dealing with it, they don't see its incremental impact on the region and connectivity. That discussion hasn’t taken off. And even if it is taken off it has not reached to the level where it makes huge impact. So, that’s where the gap is. And I think we should be looking at that gap and seeing that, okay, how do we get this whole idea of Matarbari being in the centre and then connecting northeast and even going to Nepal and Bhutan and off to Tripura and into the Bay of Bengal and Japan and all over places. But that is how long it will take to conceive it. I think there is no dearth of studies as to how much impact it will have on the region, but I don't see concrete… when I say I don't see for the last four or five years, I don't see that taking a shape. Even in terms of a trilateral policy. Now how it will take shape. The first is, I think there is still kind of a fuzziness about, is all the three countries equally treated? Equally respected? Is there benefit would be equally shared or according to whoever contributes whatever. These things are not fleshed out. And if it is not fleshed out it might create more confusion and I see that people are trying to create an alternative narrative on this that these are efforts to create new balance of power, influenced by the extra regional states or actors. So, what I am suggesting is that, that has to be taken into consideration
and acted upon. You can't just talk about it and leave it there with the hope that it will germinate at the right point. It wouldn't unless there is a huge thrust at the societal, at the economic and at the political level to materialise this. That was my objective. But lot of things are happening. Lot has happened, no doubt. But is that the end we want or we want to move further forward? Thank you.

**Riya Sinha:**

Thank you, ambassador Haque. Important point about how the benefits can be shared and I would like to bring in Dr. Palit on this point. Sitting in Singapore, the ASEAN mechanism for example is one good example how benefits are being shared among different countries through various mechanisms. So, what are the lessons that particularly in standards and norms. Are there lessons that can be learned from the ASEAN experience for the Bay of Bengal region?

**Amitendu Palit:**

Riya, thank you for asking this question. Let me take here some sort of a contrarian position. We do tend to talk about the ASEAN experience in rather glowing terms when we compare it with south Asia and its relative lack of success in regional standards. I think, within ASEAN there has been this view that when it comes to standards across the region ASEAN has compromised the integrity and deliverability of standards by bringing in too many of the exceptions in terms of special and differential treatments. So, it's all good to allow countries certain degree of liberalism in so far as specific economic circumstances and in institutional capacities are concerned, in locking on to these regulations. But I think over the last few years this debate has become rather intensive within the ASEAN that, do these special and differential treatments that have been given to several members, are these really holding the region back from moving forward? On what are the really challenging issues of modern times, let’s say for example, in the areas of environment, in the areas of I would say digital connectivity and even largely in the question of basic connectivity. Now, this is not to say that lessons cannot be learned from the ASEAN experience. I think there are lessons to be learnt. Perhaps the biggest lesson to be learned is to continue the conversation. Continue the conversation and stay engaged in the process of delivering the goods, however arduous, however painstaking it might be. I think that is the important ASEAN lesson that I would flag. Because if we look at the history of ASEAN’s progress on its own connectivity and connected standards, relatively speaking in global terms the progress has not been comparable. There are elsewhere other examples. Not just in Europe, but also in the Middle East and maybe in south America when progress has been faster. The ASEAN progress in that respect has been relatively small. But there has been progress. And perhaps the complications of the ASEAN have been that much more. The complications are comparable to those of south Asia. So, with those complications if ASEAN has been able to stay engaged in a consolidated dialogue mechanism even though the progress has been slow, there is no reason why south Asia can't do that internally and with south east Asia. As a joint product.

**Riya Sinha:**

Thank you Dr. Palit. This also highlights the importance of tailoring it according to the needs of the region and what the ground realities in this particular area are. General Naravane, if I can come to you next, from the security establishment perspective could you tell us about the coordination mechanisms that exist or that you have at least engaged in with Myanmar or
Bangladesh for facilitating these infrastructure projects. If I can add a point. We are running four minutes over time right now. If you could allow us to go on for five more minutes, this has been a very interesting conversation and we would like to continue it for a few more minutes. Thank you. General?

Manoj Mukund Naravane:

I was wanting to make a comment on the Kaladan project. I was the defence attaché in Myanmar when it was signed in 2008. We are now in 2024 and it is nowhere near completion. So, our record of delivery as a country has been very poor. But that said, if at all, the locals are cooperating with the project whether it is in the Rakhine or the Arakan army, it is because they understand the economic benefits that accrue to them also. And therefore, if a project is based on sound economics it is likely to succeed, no matter what the political dispensation in a country or in a region. In fact, the road which is being built from the Indian side towards Paletwa, there is an army colonel who was employed, I don't know whether he is still there, he was kidnapped by the Arakan army. But they let him go without any harm. So, they realize that what is being done is for their benefit, it is going to be for them. So, in that context we have very good relations on both sides of the border. Both with Bangladesh and with Myanmar. And there are series of engagements which happen like right from the local commander which is quite often maybe once a month to border liaison meetings to high level meetings, exchange of delegations and of course, visits at the governmental level. So, there is lot of coordination which is happening. And how to facilitate infrastructure development and overcome the bottlenecks and how to assuage the sentiments of the people who perhaps sometimes see this as a big brotherly activity from our part. And how to get that feeling out of the way, that is also part of all the discussions. But at the end of the day, I do believe that whatever we do, we do for the people and if we do keep that as the centre point or the focus, then the people will always be on our side. Thank you.

Riya Sinha:

Thank you general Naravane, on that positive note as well, because most of the times we speak about what is not being done or what the challenges are. But also, really its important to talk about like many of the panellists mentioned who does this connectivity, this infrastructure connectivity development benefit and need to centralise them in the conversations as well. Thank you very much for bringing all of those points out. Constantino, over to you for closing.

Constantino Xavier:

Thank you, Riya and I think it was well worth the extra seven eight minutes. And you did a great job at getting much more out of speakers. But I want to thank all of them, all five of them for helping us think through this paper, this research. This is ongoing work we are doing here at CSEP. Again, to answer some of these questions of why is it so difficult, where has it worked, where are the possible headwinds to use as per ambassador Haque’s terms, because there will be. And not take it for granted that just because it is become a buzzword and just because things have improved very much in the region and there are variety of actors that are now working on bridging this infrastructure, transportation, mobility gaps within the subregion and between south and southeast Asia. Just because of that we shouldn’t become comfortable and lazy, frankly, right? There is a variety of actors, the European investment bank for example is fleshing
out power markets in the BBIN region. We have a long established actors like the Asian development bank, now the AIIB to DNBB, we have the World Bank involved. We have southeast Asian countries interested through BIMSTEC and its master plan for transportation connectivity. We have southeast Asian countries now in particular Singapore thinking of grid connectivity with the southeast Asia, with south Asia to green and create more self-reliant electricity supplies. So, I think there is a variety of actors involved and it is wonderful to hear from all of you on your perspectives on the paper and on the work that we hope to take forward. Thank you general Naravane, thank you ambassador Ganguly Das, thank you Sohel Kazani, thank you ambassador Haque, thank you Amitendu Palit, for joining us. Thank you, Riya, for putting this all together and the team at CSEP. Please keep joining us at CSEP as we develop more research on some of these issues and hope to host you all maybe in person also, next time. Thank you all.