

Conference on India's Look East Policy

Session III: **Regional Connectivity and Infrastructure**

Presentation

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Regional Connectivity and Infrastructure

- What is the importance of connectivity between India and Bangladesh?
- Is present level of connectivity between India and Bangladesh sufficient?
- What are the possibilities for improving connectivity?
- What could be likely benefits?



Prime Minister at the 13th SAARC Summit in Dhaka

- *" If we wish the next 20 years of the SAARC to be different, we should take the first decision to reconnect the countries of the subcontinent on the one hand and then reconnect the subcontinent to the larger Asian neighbourhood on the other. We need to recharge and regenerate the arteries of transport and communication that bind us together and in turn link our region to the rest of Asia to reclaim the prosperity that is undoubtedly our due. "*



India-Bangladesh

- Longest land border of India: Over 4,000 km
- Close historical and cultural links
- Borders with 5 Indian states
- Bilateral merchandise trade of more than US \$ 2.5 billion (informal trade of similar quantum)
- India is the largest market in the developing world for products from Bangladesh
- India is second largest exporter to Bangladesh from the developing world
- Over half a million Bangladesh nationals are given visas annually



India-Bangladesh Components of connectivity

- Communication infrastructure
 - Railways
 - Roadways
 - Airways
 - Shipping and waterways
- Trade infrastructure
- Energy infrastructure



India-Bangladesh Rail links...(1)

- Freight movement
 - Petrapole-Benapole
 - Gede-Darshana
 - Singhabad-Rohanpur
 - Radhikapur-Birol
- No passenger movement



India-Bangladesh Rail links...(2)

- Freight movement
 - Container movement
 - Additional points for cargo movement
 - Akhaura-Agartala rail link
- Passenger movement
 - Dhaka-Kolkata service



India-Bangladesh Road links...(1)

- Motor Vehicle Agreement
- Total 24 points for road and rail connectivity
- Goods movement
 - Through 20 Land Customs Stations
*(West Bengal-5; Meghalaya-8; Tripura:4;
Assam-3, Mizoram-Nil)*
- Passenger movement
 - Dhaka-Kolkata bus service (1999)
 - Dhaka-Agartala bus service (2003)



India-Bangladesh Road links...(2)

- Goods
 - Additional trade routes
- Passenger
 - Additional bus services
- Comprehensive agreement on regulation of passenger and cargo vehicular traffic (proposed by India to Bangladesh in August 2007)



India-Bangladesh

Air links...(1)

- Air Service Agreement of 1982
- Air services liberalized in 2006
 - 26 slots per week for Kolkata
 - 7 slots per week for other remaining five metros
 - Unlimited flights for 18 tourist destinations in India
- Who is presently flying?
 - GMG and Biman from Bangladesh
 - Air India from India



India-Bangladesh Air links...(2)

- Further liberalization is under discussion
- GMG, Jet Airways and Air India Express are ready to start or expand their operations for bilateral as well as third country traffic
- Potential for further growth
- To cater to increase in demand, Bangladesh has announced 'Open Sky' policy for 3 months (Oct-Dec 2007)



India-Bangladesh Waterways...(1)

- Protocol on Inland Water Transit and Trade
 - 8 riverine routes for cargo movement
 - 4 ports of call designated by each side
 - Renewed till March 2009



India-Bangladesh Waterways...(2)

- Utilization of riverine routes for cargo
 - Holcim started exporting cement by barges from Narayanganj (Bangladesh) to Pandu (Assam) by riverine route in August 2007. These barges carry other items to Bangladesh such as fly ash etc on return journey.
 - High Speed Diesel to be exported by BPCL from Numaligarh refinery in Assam by riverine route
- Container cargo movement, trans-shipment
- Additional ports of call, and riverine stretches
- Access to New Mooring Terminal at Chittagong Port



India-Bangladesh Trade infrastructure...(1)

- Total 24 connectivity points on the Indian side
- Land Customs Station-20
 - *West Bengal-5; Meghalaya-8; Tripura:4; Assam-3, Mizoram-Nil)*
- Improvement required in existing infrastructure
- Need for coordination in development of trade infrastructure



India-Bangladesh

Trade infrastructure...(2)

- Integrated Check Posts at 7 locations
 - 1st Phase - Petrapole
 - 2nd Phase: Hilli, Changrabandha, Dawki, Sutarkhandi, Agartala & Demagiri
- Inter-ministerial Group set under the Chairmanship of Commerce Secretary
- Immediate improvement under consideration on some LCSs
- State Govts to take proactive steps
- Need for inter-departmental coordination



India-Bangladesh

Trade infrastructure...(3)

- Bridge under construction on River Ragnacherra (Old Ragnabazar LCS in Tripura)
- Construction of bridge on River Feni (Ramgarh-Sabroom LCS)
- Opening new trade points, particularly with Mizoram. India has requested for trade point at Thegamukh-Demagiri/Kawrpuchchiah



Other issues relating to connectivity

- Facilitating movement of business persons
- Energy grids and cross-border transmission lines
- Funding for projects (grants & loans)
- Role of regional and international agencies/banks (ADB, World Bank)-
Possible synergies



Role of state govts

- Key stakeholders
- Improvement in infrastructure – backward linkages to cross border connectivity.
- Project funding and monitoring
- Product development for exports
- Services infrastructure



Possible benefits to neighbouring states in India (1)

- Trade facilitation, and reduction in transaction costs
- Economic benefits
 - Export potential
 - Newer Investments
 - Services sector expansion
 - Employment generation
 - Consumer benefits (prices, quality)



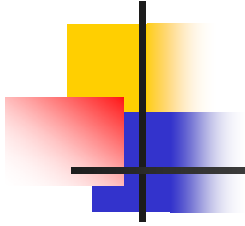
Possible benefits to neighbouring states in India (2)

- Sub-regional connectivity:
 - Within SAARC and Greater Mekong Region
- Ease in movement of people
 - Growth in value added tourism
 - Increase in intra SAARC tourism
- Regional peace and security



Prime Minister at the 14th SAARC Summit in New Delhi

- “After several years of effort, the time has come to move SAARC from a declaratory phase to action and implementation.”
- “Connectivity-physical, economic and of the mind, enabling us to use fully our geographical and resource endowments, has historically been the key to our region’s peace and prosperity. South Asia has flourished most when connected to itself and the rest of the world”



Thank you