

PROXIMITY TO CONNECTIVITY:
INDIA AND ITS EASTERN AND SOUTHEASTERN NEIGHBOURS

PART 1

INDIA-BANGLADESH CONNECTIVITY: Possibilities and Challenges



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Preface

The project on India's Connectivity with Bangladesh and Myanmar on the east and China in the north has been one of the major research projects that the Observer Research Foundation, Kolkata, has undertaken since the beginning of its second year. For pragmatic reasons we decided to look into Bangladesh first, which would be followed by an examination of connectivity with the other two of India's close neighbours. In slightly less than a year's time we have finished our research based on examination of documents, consultation with experts in both countries informally and through an India-Bangladesh workshop we organised at ORF, Kolkata, and field work in both Kolkata and Bangladesh. This report is Part One of the complete report on India's connectivity with the three above-mentioned countries, which we expect to complete within the next year.

In this report, we present a picture of the existing state of connectivity between India and Bangladesh, give an assessment of what has been promised and what has been so far delivered and finally, provide policy directions for a dense and more productive network of connectivity between these two historically and culturally close neighbours. India, being the larger and more resourceful of the two countries, has greater manoeuvrability as well as responsibility to initiate and pursue connectivity measures. Of course, the desire for enhanced connectivity must be present in both parties; there must also be a consensus between the two as to what needs to be done, and finally, whatever policies are adopted, they must have the promise of mutual benefit. This will, in addition, create a positive environment for such linkages throughout the subcontinent.

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Rakhahari Chatterji

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List of Abbreviations

ASEAN	Association of Southeast Asian Nations
BCIM	Bangladesh-China-India-Myanmar Forum for Regional Cooperation
BIMSTEC	Bay of Bengal Initiative Multi-Sectoral Technical and Economic Cooperation
BGB	Border Guards Bangladesh
BISS	Bangladesh Institute of International and Strategic Studies
BPDB	Bangladesh Power Development Board
BRGB	Border Region Governance Bodies
BRTC	Bangladesh Road Transport Corporation
BSF	Border Security Force
CBEC	Central Board of Excise and Customs
CBMP	Coordinated Border Management Plan
CIWTC	Central Inland Water Transport Corporation
FCI	Food Corporation of India
GW	Gigawatt
HVDC	High Voltage Direct Current
IANAS	Indo-Asian News Service
ICP	Integrated Check Post
ICT	Inland Container Terminal
INGO	International Non-Governmental Organisation
IRCON	Indian Railway Construction Company Limited
IUCN	International Union for Conservation of Nature
IWT	Inland Water Transport
IWTDA	Inland Water Transport Directorate Assam
JSC	Joint Steering Committee
JWG	Joint Working Group
LCS	Land Customs Station



LNG	Liquid Natural Gas
LP	Land Port
LPAI	Land Port Authority of India
MDoNER	Ministry of Development of North Eastern Region
MEA	Ministry of External Affairs
MOU	Memorandum of Understanding
MTOE	Million Tons of Oil Equivalent
MW	Megawatt
NGO	Non-Governmental Organisation
NTB	Non-tariff Barrier
PGCIL	Power Grid Corporation of India Limited
POL	Petroleum, Oils and Lubricants
PTI	Press Trust of India
RITES	Rail India Technical and Economic Service
SAARC	South Asian Association for Regional Cooperation
SAFTA	South Asian Free Trade Association
TAR	Trans Asian Railway
TCF	Trillion Cubic Feet
TCM	Trillion Cubic Metre
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
WBSTC	West Bengal Surface Transport Corporation



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An Overview

From strengthening political and cultural ties to fostering economically beneficial associations, ‘connectivity’ has become a buzzword in recent years. In the wake of globalisation’s second wave, strengthening regional and sub-regional cooperation is widely appreciated and acknowledged at all levels. Keeping these facts under consideration the Observer Research Foundation decided to undertake a project on examining the issue of connectivity between India and its eastern and south-east Asian neighbours. As part of this broad study project, we propose to examine India’s linkages with Bangladesh, Myanmar and China.

Improving connectivity is key to a region’s security and development. Transformations taking place in the region, as elsewhere in the world, necessitate and facilitate greater connectivity between countries. Connectivity may provide the transmission channels through which development impulses can spread across the region and can add to the dynamism of economic and social progress of both India as well as its eastern and southeastern neighbours. For India, such developments promise to be harbingers of dramatic changes in its own eastern and northeastern states, including the city of Kolkata.

It has been argued that current infrastructure in the region reflects the domination of exports to the US and Europe in most economies in Asia. To adjust to the West’s shrinking consumption following the ongoing global financial crisis and European debt crisis, Asia now needs to promote intra-regional connectivity in infrastructure in order to deepen and expand regional economic cooperation. Investment in infrastructure connectivity could boost competitiveness and productivity, speed up economic recovery, and help in achieving balanced, sustainable, and inclusive growth in the medium- to long-term. In addition, connectivity could promote environmental sustainability through the development of cross-border green energy and transport networks. The coordinated financing by Asian countries of regional infrastructure networks and enhanced regional connectivity would maximise the efficient application and use of resources and lead to a sustainable, inclusive and high-growth path in the long run. This would require concentrated efforts to develop both “hard” and “soft” infrastructure: physical infrastructure such as transport, energy, and telecommunications networks, and facilitating infrastructure such as appropriate policies, regulations, systems and procedures, trade facilitation measures, and the institutions necessary to make hard infrastructure work properly.

At the same time, connecting low-income countries like Bangladesh and Myanmar, to large countries like India and China, can narrow existing development gaps. In addition, India needs to connect to China and Southeast Asian economies through Myanmar (which is opening up rapidly) and Bangladesh by creating cross-border transport-cum economic, energy and telecommunications corridors. The ease of Indian national connectivity, particularly for its northeastern region depends on its connectivity with Bangladesh. Experts opine that infrastructure connectivity is essential in trade integration and enhancement through lowering trade and logistics costs. Involvement of Northeast India, Bangladesh, and Myanmar are



crucial for enhancing connectivity between south and southeast Asian countries as well as India's national connectivity.

The project has three objectives:

- To examine existing and planned networks of cross-border connectivity under various bilateral, sub-regional and regional initiatives between India and its neighbours (Bangladesh, Myanmar, and China) and to evaluate the progress of such initiatives as well as identify the reasons for delay, if any;
- To assess the benefits and adverse impacts of cross-border connectivity, keeping in mind the complex development-security nexus and issues related to environment, displacement and rehabilitation.
- To provide suggestions to improve trans-border connectivity, keeping in view the complex nature of challenges faced by such an initiative.

For the present study, the primary means of connectivity signifies physical connectivity comprising land (through road and rail networks), water (through sea, port and inland water ways). Additionally, the study intends to explore collaboration in the field of energy (gas, electricity, hydropower); coordination in border management to facilitate movement of people across the border states (through tourism, local trade, operationalising border *haats*, etc.) and also the institutional and administrative mechanisms necessary for coordination among various agencies and stakeholders. The aspect of air connectivity we have deliberately left out as we felt it was relatively less significant in comparison with the other modes we have examined.

In this study, analytical, statistical and interpretative methods have been followed to analyse data collected by the researchers. The researchers have consulted government documents published by the Ministry of External Affairs, reports of the External Publicity Division and other reports published by the concerned countries. They also consulted Lok Sabha debates, newspapers clippings, books and journals, reports published by private consulting agencies, NGOs/ INGOs and multilateral organisations like the World Bank, Asian Development Bank, as well as regional organisations like ASEAN and SAARC. The researchers interviewed the experts working in this area, leading journalists, politicians, bureaucrats (at the state, central and international levels), persons in the business sectors and the common people.

This study explores the existing modes of connectivity, including infrastructural projects, bilateral, sub-regional and regional initiatives and cultural ties. To understand the nature of the deadlock in initiatives which are yet to materialise, the study examines government policies on the concerned projects. The researchers have also examined the stalled projects and tried to identify the geographical, technical, political and social impediments. After evaluating the current situation, the project tries to provide a roadmap on how connectivity can be substantially improved in the region.



Over the years many connectivity projects have been envisaged by successive governments in India and also by the governments of South and Southeast Asian states. In India the concerns for connectivity projects has broadly come under the purview of India's 'Look East Policy'. The aim of establishing connectivity is to boost bilateral and multilateral ties among these nations so that they can understand each other better and also complement each other's strengths.

Initiatives have also been taken by regional bodies (Asian Highway, Railway and Dry ports) and sub-regional groups (ASEAN, BIMSTEC, BCIM) and international organisations (World Bank, Asian Development Bank and UNESCAP). The existing trans-border projects on physical connectivity between India and its eastern and southeastern neighbours have been examined in this study, entailing a) evaluation of the current status; b) importance of the projects in bilateral, sub-regional and the regional milieu.

The structure of the ORF project on Indian's connectivity with its eastern and southeastern neighbours has been divided into three primary segments: a) India-Bangladesh; b) India-Myanmar; and c) India-China. This report is based on the analyses of the possibilities and challenges in India-Bangladesh connectivity.



Introduction

India's ties with Bangladesh comprise various dimensions—civilisational; cultural/religious; social; and economic. These two countries, like two children born of the same mother, are organically linked—with their common heritage and shared history, common memories of tragic loss and the separation of families in massive scales following epic events in their contemporary histories. The cultural cords that tie them to each other are strong as is their peoples' passion for music, literature and the arts.

These historical ties translate into multi-dimensional—and ever-expanding—bilateral relations between the two nations. Geographical locations of India and Bangladesh complement each other and present an opportunity for both nations to further strengthen their connectivities and economies.

Prior to the partition of India in 1947, the trade and commerce of India's northeastern regions with the rest of the country used to pass through the territories of what is now Bangladesh. Rail and river transit across the erstwhile East Pakistan continued until March 1965 when, as a consequence of the India-Pakistan War, all transit traffic was suspended. Only river transit was restored in 1972 without much progress however until fairly recently.

Enhancing bilateral relations between India and Bangladesh promises to provide exponential benefits for both countries. For India, in particular, transit and transshipment across Bangladesh is important as it is expected to boost the economy of India's Northeast. Developments in connectivity hold a well of promise for transforming India's eastern and northeastern states, including the city of Kolkata in West Bengal.

India's northeastern regions are resource-rich: they are home to huge reservoirs of oil and gas, coal, limestone, forest wealth, and fauna and flora. The region is a vibrant source of India's largest perennial water system, the river Brahmaputra and its tributaries, which can be tapped for energy, irrigation and transportation. India's Northeast may serve as a gateway for Bangladesh's enhanced access to India as the country is surrounded by India from three sides and may, in the long run, promote bilateral trade relations. West Bengal is positioned to be a major beneficiary of enhanced India-Bangladesh connectivity.

India and Bangladesh share a border of some 4,096 km., of which almost 1,880 km is within India's Northeast (1,434 km is land border; 446 km is riverine tract). Besides West Bengal, four northeastern states—namely, Assam, Meghalaya, Tripura and Mizoram—share international borders with Bangladesh.¹ With the exception of Meghalaya, the remaining northeastern states share both land and riverine borders with Bangladesh, and among them, Tripura and Mizoram have the longest land and riverine borders with Bangladesh. India's Northeast is connected with the rest of India by a 22-km-wide stretch of land called the Chicken's Neck, which passes through a hilly terrain with steep roads and multiple hairpin bends. Agartala



is 1,650 km from Kolkata via Shillong and Guwahati, while the distance between Agartala and Kolkata via Bangladesh is just about 350 km. Moreover, the distance between important cities of Bangladesh and northeast India falls within the range of 20 to 200 km.²

Bangladesh is home to approximately 160 million people and its economy posts a consistent annual growth rate of five to six percent. It is an important neighbour of India. Indeed, land connectivity with India's Northeast and its access to Southeast Asia through that region may help Bangladesh to achieve its ambition to reach lower-middle income level by 2021. Moreover, connectivity with India may help Bangladesh to earn money from the payment of transit fees and may also provide access for its burgeoning middle class to the Indian market.³ Being India's largest trading partner in the region, Bangladesh cannot ignore such an opportunity. Connectivity between India and Bangladesh may yet prove to be a win-win situation for both countries.⁴ Regrettably, however, in many cases their relations have been affected not only by security considerations but by mutual suspicion as well.

Both New Delhi and Dhaka have sought to overcome this longstanding distrust in recent years, with reciprocal state visits as well as negotiations for some important agreements to advance trade and commercial ties, resolve long-standing border disputes, and facilitate river-water sharing and land connectivity across Bangladesh. For example, while the Land Border and River Water sharing agreements still face obstacles in India, relations are at present the best that have been in many years: economic ties have improved and counter-terrorism cooperation is being strengthened. Still, the question remains: Can the formal 'bilateral communiqué' of 2010 be a game-changer for India-Bangladesh relations?

It is against this backdrop that the present study intends to assess the benefits and adverse impact of India-Bangladesh cross-border connectivity. For instance, in areas with difficult terrain, air or water connectivity may be considered more significant; border *haats* and local trade may substantially add to the local development efforts. Similarly, trade in energy may help these states to meet rising demand. On the other hand, security considerations at certain conflict-prone points on bordering areas may be a factor in determining the limits of establishing physical connectivity. Therefore, complex development-security factors are to be taken into consideration, as also issues related to environment, displacement and rehabilitation. If India and Bangladesh manage to follow through on earlier promises about opening up their economies for transit and trade as set out in a memorandum of January 2010, a new era could dawn in India-Bangladesh relationship.

The study is divided into four sections, namely:

- Rail and road connectivity;
- Connectivity through waterways;
- Possibilities in energy trade; and,
- Issues and challenges in border management, including border trade.



Following are some of the questions that are dealt with in this study: What are the main impediments to the development of rail, road, and water connectivity between India and Bangladesh? What suggestions can be made for rapid progress to remove identified constraints? What are the structural changes required for bridging the gap in the near future?

1

Connectivity through Rail and Road: Prospects and Hurdles



One of the most vital forms of physical connectivity among different geographical locations is connectivity through roads and railways; this is true for India and Bangladesh as well. Road networks and railways constitute an essential means of communication and an indispensable facilitator for the operation of trade and commerce. At present, rail links between the two countries are not central in terms of their use. They require substantial enhancement in order to link the region more successfully. Road networks, which are more in use, are highly insufficient to reach the level of connectivity that is being envisioned. It thus becomes important to explore the various dimensions and problems that exist with relation to rail and road connectivity links between India and Bangladesh and investigate ways in which these can be augmented.⁵

Steps towards establishing increasing connectivity links through railways, roads, inland waterways and ports were officially discussed in 2010 and 2011 when joint communiqués were signed by the respective heads of government. It was at this time that both countries



expressed their interest in reviving former rail routes as well as establishing and upgrading existing ones. India offered Bangladesh a line of credit of \$1 billion towards “the development of rail infrastructure, supply of broad gauge locomotives and passenger coaches, rehabilitation of Saidpur railway workshop, procurement of buses, dredging of rivers, and strengthening of the Bangladesh Standards and Testing Institution (BSTI).”⁶

1.1 Existing Rail Links between India and Bangladesh

There are several rail links that exist at present between India and Bangladesh through the following routes:

- Gede (India)-Darsana (Bangladesh) - Broad Gauge
- Singhabad (India)-Rohanpur (Bangladesh) - Broad Gauge
- Petrapole (India)-Benapole (Bangladesh) - Broad Gauge
- Radhikapur (India)-Birol (Bangladesh) - Broad Gauge on Indian side and Metre Gauge on Bangladesh side.
- Mahisasan (India)-Shahbazpur (Bangladesh) - Metre Gauge.
- Haldibari (India)-Chilhati (Bangladesh) - Broad Gauge.

Of these routes, Gede-Darsana, Singhabad-Rohanpur and Petrapole-Benapole are used for transporting goods. The operation of the Radhikapur-Birol route has been suspended since April 2005 because the tracks on the Indian side have been upgraded to broad gauge ones while those on the Bangladeshi side remain meter gauge. The Mahisasan-Shahbazpur route has also remained non-operational since 1996 due to lack of sufficient traffic. It was agreed in 2011 between the Prime Ministers of both countries that the Haldibari-Chilhati route, which was not renewed after 1965, would be revived. Both countries have also discussed running passenger train services between Sealdah and Jamuna Bridge, as well as the early operationalisation of Sealdah (Kolkata)-Joydevpur (Dhaka) passenger train service; neither one has kicked off, however.

The Railway link between Kolkata and Dhaka which remained inactive for the last 43 years was activated again and the Maitree Express from Kolkata to Dhaka Cantonment started running from April 14, 2008. Also known as the Friendship Express, the train had a test running from Kolkata to Dhaka on July 8, 2007. There have been mixed responses to this train service with a lot of hope and jubilation on the one hand and protests on the other. However, the demand for the service led the representatives of Railway Ministries of both governments to increase the frequency of the service by an additional day from January 2015.⁷

Road networks and railways constitute an essential part of communication and the functioning of trade and commerce. Upgrading existing rail and road links and establishing new ones would hence facilitate interconnection.



Talking about India-Bangladesh Connectivity through rail and road at the ORF workshop, Jayanta Bhattacharya, a journalist with the PTI, Agartala, drew attention to the fact that before the partition of India in 1947, road, rail and port networks were interconnected and what is today Bangladesh was already economically linked with the rest of country. At that time, the transport network was an integrated system which supported an integrated economy. It was after the Partition that these links were severed. Consequently, the region became economically weaker. The decline in economic interactions resulted in a de-integration of the network. The question is: How can these links be restored, improved and extended for infrastructure linkage between Bangladesh and its bordering Indian states? Despite the fact that the northeastern region of India shares about 98 percent of its land border with Bangladesh, the region is connected with the rest of India only by the Siliguri corridor, which is too narrow.⁸ There is, however, a lot of scope for the northeastern region of India and West Bengal, which shares a 2,216-km border with Bangladesh, to become an interconnected region with and through Bangladesh, if road and rail linkages are established and those which existed previously, are revived. The interconnection of this contiguous zone through rail and road links will not only bring economic gain, but also increase the mobility of the common people and enhance trust on both sides of the border.

The Indian government's report of 2008, entitled *Vision 2020* and released at Agartala, assures the establishment of necessary infrastructure and better connectivity within the region and, subsequently, with the larger South and Southeast Asian region. For the seamless movement of trade as well as passenger traffic, the governments of both India and Bangladesh have undertaken the establishment of land ports and land custom stations. Table 1 shows the major border crossings for movement via both rail and road.

Table 1: Major Border Crossings between India and Bangladesh on Rail

Crossing Points	Modes
Benapole (BD)/ Petrapole	Road; Rail (Freight Only)
Darshana (BD)/Gede	Rail Broad Gauge (Maitree and Freight)
Rohanpur (BD)/Singhebad	Rail Broad Gauge
Birol (BD)/ Radhikapur	Rail Meter Gauge
Shabbajpur (BD)/ Mahishasan	Rail Meter Gauge
Banglbandha (BD)/Phulbari	Road
Chilhathi (BD)/Haldibari	Rail (potential)
Burimari (BD)/Changra bandha	Road
Hilli (IND-BD Border)/Balurghat	Road
Tamabil (BD)/Dawki	Road
Karimganj/Zakiganj (BD)	Road
Akhaura (BD)/Agartala	Rail/Road planned



While identifying the Ganga-Brahmaputra basin region comprising Bangladesh and the eastern part of India, Bhattacharya has suggested ways in which development can be fostered in the area. The most important of these strategies is to enhance possibilities and opportunities for trade. For instance, the landlocked northeastern region forms the hinterland of the Chittagong port in Bangladesh and access to this port would be beneficial for trade from the northeast. Access to the port would also enable the utilisation of the abundant natural resources of the northeastern states. Conversely, this linkage—which would be allowing India transit—would also benefit Bangladesh in terms of revenue generation. The importance of land connectivity can be best realised when these links are extended to the nearest ports. In this sense, another important port is Ashuganj, which sits on the river Meghna in the Brahmanbaria district of Bangladesh. The port is 37 km from Agartala, the capital of Tripura and would be a vital link among India’s northeastern states. The Ashuganj port, though, is underdeveloped, and that is the challenge. It is still in the process of being modernised and there is an imperative for the institutionalisation of infrastructural support.

1.2 Proposed Agartala-Akhaura Rail Connectivity

Besides the Ashuganj port, another important link for Bangladesh-India connectivity is the Akhaura-Agartala rail link. Akhaura is the nearest rail junction to Agartala, Tripura, and work is being done to lay tracks for the 15.054-km rail project. The Minister of Development of the North Eastern Region (MDoNER), P. K. H. Singh, has said: “With the establishment of the new railway link, northeast India would be connected to the Chittagong international sea port by rail”.⁹ It is to be noted that Agartala is one of the newest stations established by the Indian Railways, coming up on the country’s rail map only in October 2008. The Agartala-Akhaura link was first approved in 2010 between then Prime Minister Manmohan Singh and Bangladesh Prime Minister Sheikh Hasina. Besides linking Agartala with Akhaura, it will also reduce the distance between Kolkata and Agartala—from 1,700 km to 350 km—by offering transport through Bangladesh.

Surface connectivity is an important factor as the landlocked northeastern states are surrounded by Bangladesh, Myanmar, Bhutan and China, and the only land route to these states from within India is through Assam and West Bengal. A huge part (70 percent) of this route, though, is difficult terrain: hilly, with steep roads and multiple hairpin bends. For ferrying goods and heavy machinery to the northeast from abroad and other parts of the country,





India has for long been seeking land, sea and rail access through Bangladesh. Agartala, for instance, is 1,650 km from Kolkata and 2,637 km from New Delhi via Guwahati and West Bengal; in contrast, the distance between the Tripura's capital Agartala and Kolkata through Bangladesh is only 350 km. It is worth noting that the Northeast Frontier Railway (NFR) is now laying tracks to connect Tripura's southernmost border town of Sabroom, 135 km south of here. From Sabroom, the Chittagong international sea port is a mere 72 km away.

The Indian Railway Construction Company (IRCON) is laying the new railway tracks on both sides of the border. Of the 15-km rail line, a length of five km of tracks falls within Indian territory.

The Centre has already started working on the upgrade of the Silchar-Agartala rail-line, from meter gauge to broad gauge. Surveys on extending the rail-link to Sabroom in southern Tripura have also been taken up. Sabroom, the southernmost subdivision of Tripura, sits closely to the India-Bangladesh border.

Upon completion, these tracks will offer a vital link to the Trans Asian Rail (TAR) Link from Jiribam and Moreh in Manipur, and then on to Mynamar, besides providing a road link to the Chittagong port. The Akhaura-Agartala rail link would therefore be able to open up multimodal links to key points in Bangladesh, the northeast of India, besides connecting with Myanmar as well as being part of the TAR. India has requested Bangladesh to permit East-West transit through the latter, which would greatly reduce the distances that now need to be covered. This, in turn, would allow Bangladesh to earn increased revenues.¹⁰ More fundamentally, it would create scope for people-to-people exchanges.

Past records reveal that the linking of Akhaura and Agartala by rail was suggested as far back as 1974 with the signing of a protocol between Bangladesh and India for cross-traffic movement. The idea then became dormant, and would only be revived many years later, during Trade Review Talks between India and Bangladesh in December 1998. In the Joint Communiqué issued during Bangladesh Prime Minister Sheikh Hasina's India visit in January 2010, it was agreed that the construction of the proposed Akhaura-Agartala railway link would be financed by a grant from India. The new line would run from Agartala (India) to Gangasagar (Bangladesh). This would involve a double line from Gangasagar to Akhaura and additional loop lines at two stations of Bangladesh Railways, Gangasagar and Imambari.

The INR260-crore-plus project, to be implemented by the North Frontier Railway, is to be funded entirely by the Union Government: partly by the Department of North-Eastern Region and mostly by the Ministry of



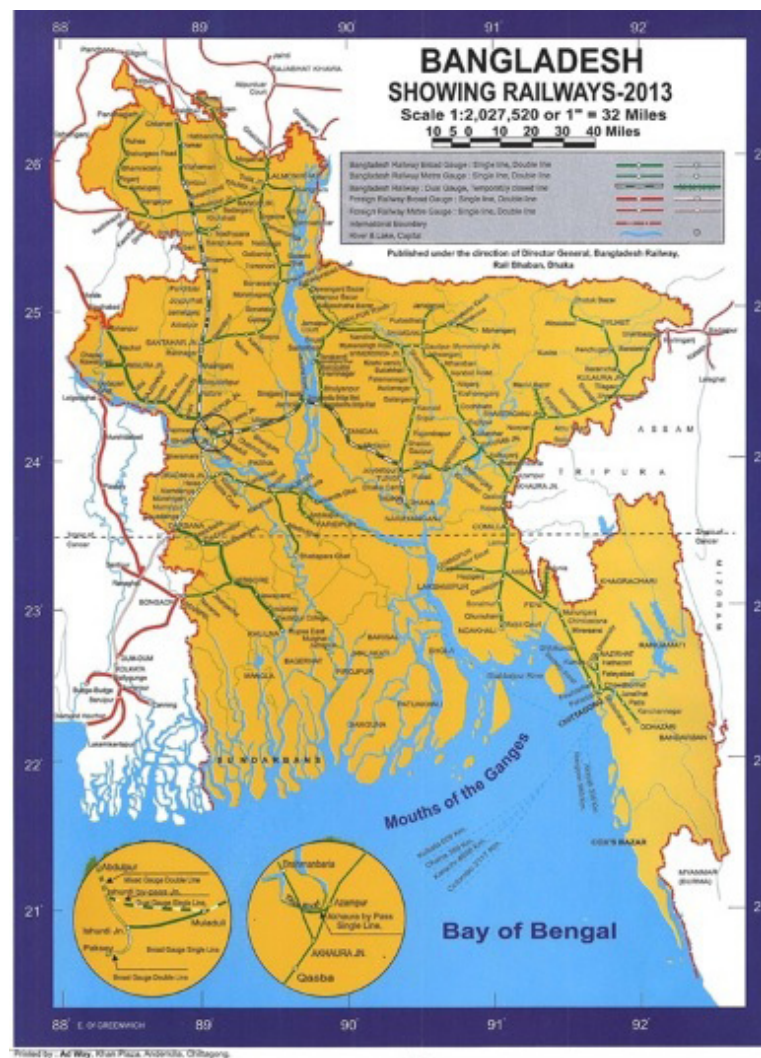
Akhaura Rail Junction, Bangladesh.



External Affairs. India sanctioned a budget of INR2.25 crore for laying the railway tracks to connect West Bengal and Tripura through Bangladesh. While the potential for road and rail connectivity between India and Bangladesh is strong, the implementation of the same has been characterised largely by various challenges. One of the most important of these is that it is widely believed in Bangladesh that India seeks transit through their territory for the mere objective of opening up its landlocked northeast, and that Bangladesh, in turn, would not be given access to India's northeast nor the rest of the country. Some in Bangladesh also entertain the opinion that India's requests are directed to undermine the sovereignty of Bangladesh. It is for this reason that Bangladesh makes the permission for transit conditional upon India allowing north-south connectivity of the Chittagong port through India with Bhutan and Nepal.

So far, India has allowed transit between Nepal and Bangladesh across the Chicken's Neck only for bilateral trade. Thus there is a need for India to consider seriously, Bangladesh's

Map 1: Rail Network Map of Bangladesh



Source: High Commission of India, Dhaka, Bangladesh <http://hcidhaka.gov.in/pages.php?id=1219>



point and work towards a shared transport policy between the two countries, which would then translate into the larger goal of an interconnected Indian subcontinent.

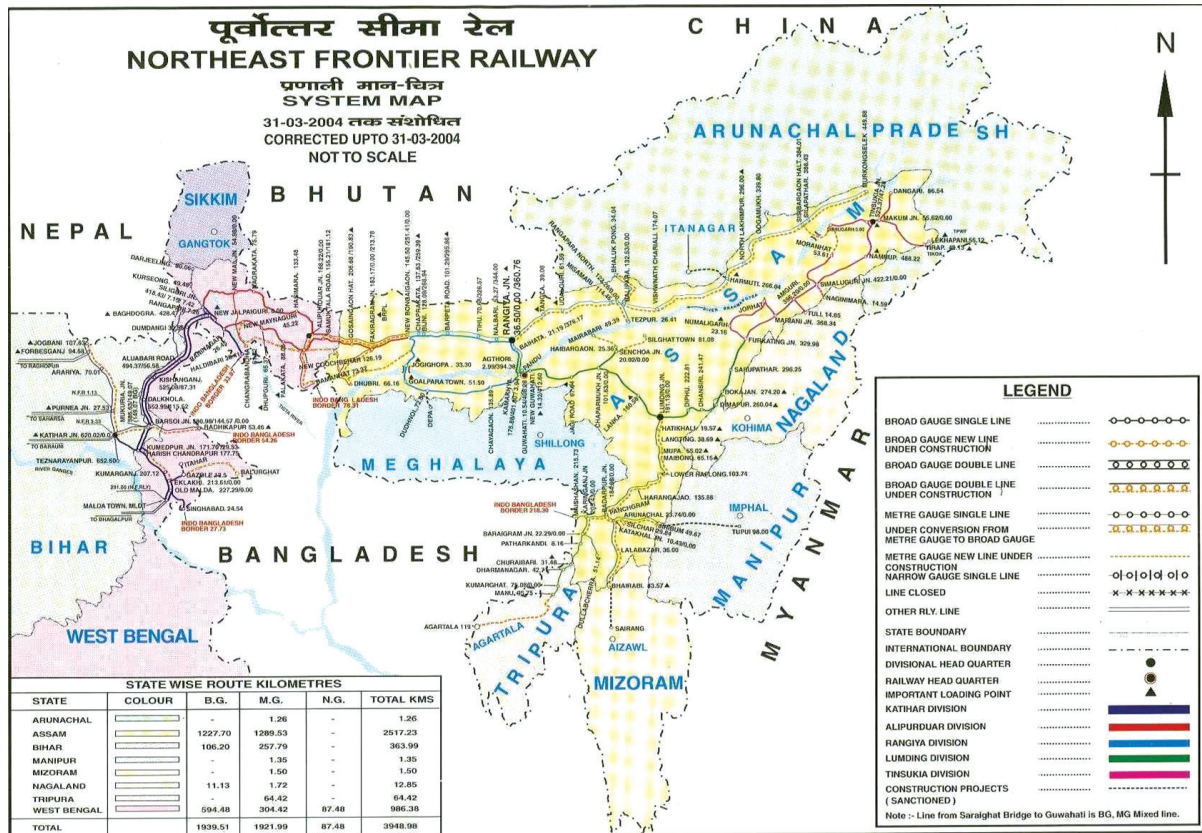
1.3 Proposed Links

Chittagong-Silchar Rail Link

The Northeast Frontier Railway employees Union that the project will take until 2018 to be completed. Such concern was addressed by officials of the NFR in a progress report released in November 2010, available with Concern for Silchar¹¹, which said that as of that time, 51 percent of the super structures of major bridges has been completed. The report also explained that the poor condition of the region’s roads was proving to be a major deterrent in the project’s rapid completion.

There is also the issue of the project allegedly being hampered by insurgencies in the areas involved. While the Assam Government has made the claim that it has successfully brought peace in Dima Hasao by signing ceasefire agreements with the Dima Hasao Daoga

Map 2: Northeast Frontier Railway



Source: Northeast Frontier Railway, http://www.nfr.indianrailways.gov.in/view_section.jsp?lang=0&id=0,1,379



(Jewel Gorlosa faction), engineers from the construction companies that are working in the district say that there has been little change on the ground. The engineers allege that tribal insurgents and petty miscreants alike, have resorted to harassing them and no action is being taken by the authorities and the police. That the delay in the project is creating a major communication bottleneck for the people of South Assam, Tripura, Manipur and Mizoram, is already clear. Moreover, it is also creating a huge dent on the national exchequer: While the completion cost of the 201-km stretch was first pegged at INR 1689.12 crores, the estimate has since ballooned to over INR3,909.49 crores.



A carriage in front of the Bangladesh Railway Board.

Kolkata-Dhaka-Agartala Bus Service

In May 2015, during a meeting among Nitin Gadkari, Union minister of road transport and highway, Government of India; Bangladeshi Transport Minister Obeidul Quadar; officials from the state governments of West Bengal and Tripura; the Ministry of External Affairs, India; and Customs and the Border Security Force it was decided that the first Kolkata-Dhaka-Agartala bus will be flagged off in Dhaka on 6 June.¹²

The decision is a significant one in the history of the two countries and acknowledges a long standing demand from the people of Tripura for a direct land route to Kolkata. The new route will greatly reduce both time and distance between Agartala and Kolkata. The proposed service from Kolkata to Agartala will run three times per week and pass through the Benapole-Petrapole checkpost and the Akhaura-Agartala checkport.

Other Proposals

Besides the Kolkata-Dhaka-Agartala link, a few other bus services are also being considered. These include services from Kolkata to Jessore, Kolkata to Khulna, and Siliguri to Dhaka.

1.4 Operational Bus Services

1.4.1 Kolkata-Dhaka Bus Service

The Kolkata-Dhaka Bus Service was inaugurated on 19 June 1999 and remains one of the most vital modes of transportation between India and Bangladesh. The service has helped increase



the volume of trade and commerce between the two countries while also contributing to easier people-to-people exchange. The service is operated jointly by the West Bengal Surface Transport Corporation (WBSTC) and the Bangladesh Road Transport Corporation (BRTC). From Kolkata, buses ply to Dhaka every Tuesday, Thursday and Saturday; from Dhaka to Kolkata, every Monday, Wednesday and Friday. One of the major challenges that is regularly faced by passengers and traders using the service is the length of time involved in clearing customs and immigration requirements at the border point. Measures must be put in place to facilitate the process, including conducting the customs formalities while in transit.

There are also private operators with bus services between the two cities.

1.4.2 Dhaka-Agartala Bus Service

After years of negotiations, the operation of the Dhaka-Agartala bus service was agreed upon on 11 July 2001. The service was introduced from 2003. Subsequently, the Agartala-Dhaka bus service was suspended and Indo-Bangla trade through the Tripura border came to a halt following incidents of violence and strikes in neighbouring Bangladesh. Bus service between the two countries was stopped in view of the political turmoil in the country, according to Managing Director of Tripura Road Transport Corporation (TRTC), R M Malakar.¹³

Despite frequent political disturbances the Agartala-Dhaka service is set to resume from May 2015. Like the Kolkata-Dhaka rail link, this bus has also been named Maitri. The service would run twice every week.

1.5 Issues and Prospects

The interest in extending physical connectivity between India and Bangladesh through railways and road networks, is not new; the idea has been in existence for some time now. The interest, however, has never been translated to action: While the merits and demerits of connecting the two countries through rail and road have been discussed at length by government officials, policymakers and academics, little has taken shape in the way of realising these goals.

An important reason for this, according to Mr. Tareq Md. Ariful Islam, the Director General for South Asia, Ministry of Foreign Affairs, Bangladesh, is that establishing connectivity is a time-consuming, capital-intensive process. For instance, gauge conversion of railways which is being done priority-wise in Bangladesh, demands intense labour and capital. The same applies to laying tracks for a proposed second Maitrayee Express from Khulna to Benapole.

The poor condition of roads in Bangladesh is a cause of concern for India and hampers the growth of bilateral trade. Mr. Islam maintained that if Bangladesh asserts that existing roads



are sufficient for its own use then they will remain as they are; if India wants to use them for either passenger traffic or trade, then India can make its own investments accordingly. A lot needs to be done to upgrade existing networks and build new ones. The Motor Vehicles Agreement, signed at the 2014 SAARC Summit, prescribes that countries in the region iron out their respective issues in this regard.

In Bangladesh, the development of railways, being capital intensive, has suffered over the years. Another reason is rooted in the country's topography: the predominance of alluvial soil in most parts of the country makes the laying of tracks, extremely difficult. Moreover, infrastructural investment has focused more on the development of roads than railways, given the higher stakes in roads; everyone—from toll officers to the police—are able to reap monetary benefits from building road networks. The line of credit extended by India to Bangladesh may now be utilised for the improvement of the rail network and for upgrading the meter gauge tracks to broad gauge tracks. The variations in rail gauges, coupled with incompatibilities in rolling stock, pose difficulties for making inter-country rail connectivity more effective.¹⁴

Of the six trans-national routes passing through Bangladesh, five are viable. The operationalisation of the BCIM route is expected to slash in half the total transport cost, according to Dr. Mahfuz Kabir, Senior Research Fellow at the Bangladesh Institute of International and Strategic Studies. In Dr. Kabir's opinion, given that the current regime in Bangladesh is more amenable towards India, it has allowed transit facilities to the latter, something which was unthinkable as recently as six years ago. This is primarily because of the progress made by the Awami League in the country. However, there is a rider on the point of Bangladesh allowing transit to India for the country has demanded a fee for the same. Sandeep Chakraborty, Deputy High Commissioner, Indian High Commission in Dhaka, says that this fee is very high and if India has cheaper and safer routes through its own territory, there will be no reason to opt for transit through any foreign country even though such an option may reduce the duration of transit.

On the other hand, as Subir Bhaumik notes, "The distance differential between Calcutta and the Northeast Indian state capitals will help highlight the importance of getting to use Bangladesh for transit from the Indian mainland into northeast India."¹⁵

An ADB report on 'Connecting South Asia and Southeast Asia: A Bangladesh Country Study' shows the condition and status of roadways in Bangladesh from 2004 to 2010.¹⁶ Overall, the number of roads has improved in Bangladesh according to the report (see Table 2). But what is important for the country is the development of more durable roadways that are capable of handling heavy vehicles.¹⁷ The report states that the condition of cross-border roads, especially those with India is very poor and therefore affects bilateral trade.

**Table 2: Condition of Roads, 2004–2010**

Country	Primary (km)			Class I (km)			Class II (km)			Class III (km)			Below III (km)			Total (km)		
	2004	2008	2010	2004	2008	2010	2004	2008	2010	2004	2008	2010	2004	2008	2010	2004	2008	2010
Bangladesh	0	0	0	20	92	68	441	1,648	1,574	476	0	32	868	25	83	1,805	1,765	1,762
India	0	90	90	484	4,069	4,069	0	1,675	1,675	10,889	5,699	5,699	105	117	117	11,458	11,810	11,810
Share (%)																		
Bangladesh	0	0	0	1.1	5.2	3.86	24.4	93.4	89.33	26.4	0	1.82	48.1	1.4	4.71	100	100	100
India	0	0.8	0.76	4.2	34.5	34.45	0	14.2	14.18	94.9	48.3	48.26	0.9	1	0.99	100	100	100

Source: *Connecting South Asia and Southeast Asia: A Bangladesh Country Study*, ADBI Working Paper Series.

These issues related to the building of roads are not the only impediments to the expansion of existing networks in the mountainous regions. There is also the problem of availability of stone chips, also known as ‘aggregates’ in such regions. The materials used for road construction in such regions are riverbed particles which are unsuitable: whereas stone chips have angular and irregular surfaces riverbed particles are rounded and do not bind properly, and therefore are less durable. Stone chips are mostly found in Rampurhat, WB and Pakur, Bihar. Transporting these to northeast India increases the cost of construction. On the other hand, stone chips are available in Chittagong and Rajshahi districts in Bangladesh, bringing down the cost of construction significantly. Environmental costs also need to be kept in mind during the planning of roads. A Rehabilitation Action Plan (RAP) is mandatory for feasibility studies on construction of any road project, according to Mr. Tarun Sengupta, General Manager, RITES, Kolkata.

Ongoing unrest in India’s northeastern regions also acts a hindrance to development projects. Various individuals and agencies need to be paid for allowing any kind of work to begin, raising the expenses. When the locals have been engaged in such projects, at times they have failed to work and they do not seem interested enough as they see the backhand payments as easy money, according to Mr. Sengupta.

However, one of the more recent success stories is that after prolonged diplomatic and strategic parlays lasting for nearly three years, rice is now being transported from Andhra Pradesh to Tripura via Bangladesh since August 2014. Three Bangladeshi trucks loaded with rice entered India through the Akhaura integrated checkpost in the presence of Food Corporation of India (FCI) and Tripura government officials. “For the first time, Bangladeshi trucks transported rice from Ashuganj port in Bangladesh directly to the FCI warehouse at Nandannagar (on the outskirts of the Tripura)...,” FCI general manager Bidol Tayeng told IANS.¹⁸



Transit through Bangladesh for Indian goods



Source: Bangladesh approves transit for India via its roadways, land and river ports, 27 May 2013, <http://www.english.rtnn.net/?/newsdetail/detail/1/3/54059>

The usual practice was to shift contents from Bangladeshi trucks to Indian trucks before entering Indian territory. Tayeng said the External Affairs Ministry had earlier given clearances to allow Bangladeshi trucks 7 km inside Indian territory from Akhaura border. “The trucks carrying rice will be going through truck scanners installed at the Akhaura check post,” he said.

The Tripura government made arrangements such as medical facilities, rest house and food for Bangladeshi truck drivers at the Nandannagar FCI depot, Tayeng added. The first consignment of 5,000 tonnes of rice in small ships from Kakinada port in Andhra Pradesh reached the Ashuganj river port in (eastern) Bangladesh via Kolkata port on August 5. In this context Bhanulal Saha, Minister of Tripura Food, Civil Supplies said: “The rice is being ferried via Bangladesh to avoid the long and mountainous surface road up to Tripura via Assam and Meghalaya.” Another 5,000 tonnes of rice will be similarly ferried to Tripura in the next phase. After Tripura, it is likely that food grains will be ferried in a similar fashion for other northeastern states.

2

Connectivity through Waterways: Scope for Development



2.1 India-Bangladesh Protocol on Inland Water Transit and Trade at a Glance

For India and Bangladesh, connectivity through waterways holds great potential for both economic and people-to-people links. The India-Bangladesh Protocol on Inland Water Transit and Trade was first signed in 1972 and is renewable every two years. However, this pattern has not been followed since 3 October 2001 and the renewal has been done only in a piecemeal manner. Under the protocol, India and Bangladesh agreed to use inland waterways for the passage of goods between two places of one country through the territory of the other, as well as for inter-country trade. The protocol provides for a 50:50 ratio for sharing on tonnage basis for inter-country and transit cargo by Indian and Bangladeshi vessels. In April 2015, the two countries decided to renew the Protocol automatically after every five years.¹⁹



The following transit routes are specified in the protocol:

- Kolkata-Haldia-Raimongal-Chalna-Khulna-Mongla-Kaukhali-Barisal-Hizla-Chandapur-Narayanganj-Aricha-Sirajganj-Bahadurabad-Dhubri-Pandu and vice-versa;
- Kolkata-Haldia-Raimongal-Mongla-Kaukhali-Barisal-Hizla-Chandpur-Narayanganj-Bhairab Bazar-Ajmiriganj-Markuli-Sherpur-Fenchuganj-Zakiganj-Karimganj and vice-versa.
- Rajshahi-Godagari-Dhulian and vice-versa
- Karimganj-Zakiganj-Fenchuganj-Sherpur-Markuli-Ajmiriganj-BhairabBazar-Narayanganj-Chandpur-Aricha-Sirajganj-Bahadurabad-Chilmari-Dhubri-Pandu and vice-versa.

Under this protocol, the following ports of call in each country have been nominated for facilitating inter-country trade:

India: Kolkata, Haldia, Karimganj, Silghat and Pandu;

Bangladesh: Narayananganj, Khulna, Mongla, Ashuganj and Sirajganj.

The protocol enumerates various operational parameters, including: conservancy and pilotage; port dues and other charges; handling facilities; and supply of bunkers. Cargo moved on the Brahmaputra river system includes fertilisers, Petroleum, Oils and Lubricants (POL) products, jute, tea, cement, timber, iron and steel, cement, forest products, paper products and coal.

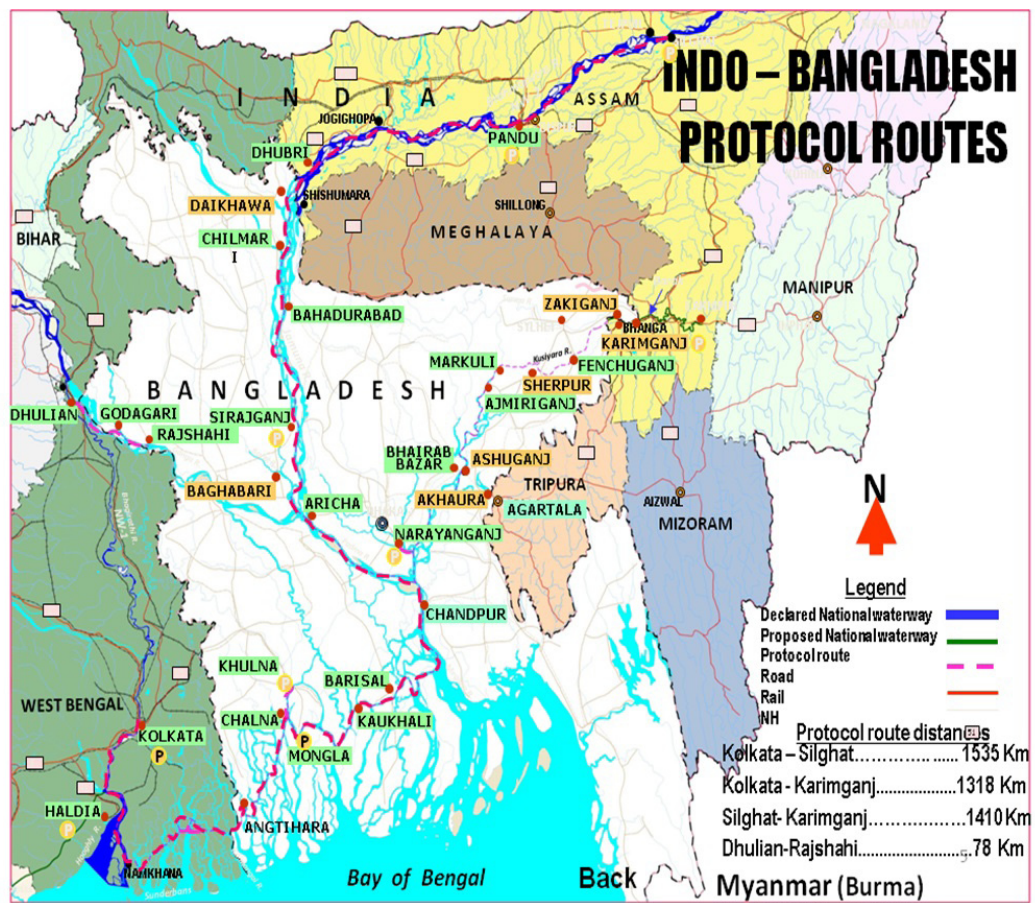
While discussing India-Bangladesh protocol routes, certain experts express reservation in accepting waterways as the cheapest mode of transportation, pointing to the fact that most of the rivers are not navigational in nature throughout the entire year. In order to overcome this problem, adequate facilities for dredging should not only be arranged but also be made mandatory to make navigation possible. Moreover, as there are no night navigational facilities, the cost of cargo to be brought to the river front has become highly expensive.²⁰

It is worth noting that there are six national waterways in India, with NW 6 having been added most recently in 2013. Of these, NW 2 is the main protocol route (from Kolkata-Sundarban-Chalna-Khulna-Mongla, Kaukhali-Barisal-Narayanganj-Aricha-Dhubri-Pandua. NW 6 bifurcates from Narayangaj towards Bhairabbajar-Ajmerganj-Karimganj-Lakhipur. This is the new route over Kusiara and Barak rivers. These two rivers are connected to the Brahmaputra and receive very little water: they are seasonal routes. There are two aspects to the Protocol route: transit and trade (export/import).

The importance of land connectivity can be best realised when rail and road links are extended to the nearest ports. Inland waterways hold immense potential for achieving multi-modal connectivity.



Map 3: India-Bangladesh Protocol Routes



Source: Director, Inland Waterways Authority of India.

Map 4: Proposed National Waterway (No 6) River Barak

Length: 121 Km, Development cost – Rs 123 crore (at 2012 prices),

Status: Proposed



Source: Director, Inland waterways Authority of India.



2.2 Constraints

2.2.1 Necessity of Dredging

Promoting this protocol route requires the regular dredging of the rivers. (For instance, the Kolkata Port is an inland port and thus requires constant dredging year-round; the same applies to the Kusiara-Barak Rivers). Bangladesh, being a poor country, does not have enough resources to make dredging a meticulous, highly organised process on fixed intervals. Still, work is at present being undertaken in Bangladesh to improve the navigability of rivers and increase the number of ports of call. The country wants India's involvement in the sharing of technological knowhow, at least, if not capital investment. The prospect of enabling the use of shallow draft vessels where deeper ones enter is also being explored, though it may be more expensive.

2.2.2 Lack of Assured Freeways

Assured fairway with desired depth and width is the key to year-round operation. Unsafe and uncertain fairways restrict speed and have been found to cause frequent groundings that, in turn, result in higher fuel costs: the system then becomes expensive and unreliable. Sediment deposition is the other factor that disturbs the river bed and the waterway. Unpredictable shoals appear all along the entire river bed, which becomes detrimental for the passage of vessels, resulting in the disturbance to the grounding of vessels.



Dredging in river Hooghly



2.2.3 Lack of Round-the-clock Navigation Facilities

The provision of night navigation facility is essential for 24-hour navigation. This has been provided by the Inland Waterways Authority of India between Dhubri and Pandu on NW-2. The waterways within Bangladesh, which are used for trade and transit routes, reportedly have 24-hour navigational facilities between Chalna and Padma-Meghna confluence and Bhairab Bazar, covering a distance of 387.5 km. However, stretches where night navigational facility exists do not reduce voyage times of Indian vessels; Bangladesh pilots do not use these aids. Night navigation is an option rarely taken by Indian vessels plying Bangladeshi routes.

2.2.4 Lack of Terminal and Cargo Handling Facilities

On NW-2, floating terminals are present only at Dhubri, Jogighopa, Pandu and Silghat. Some initiatives have recently been taken up to develop the terminals along NW-2. One fixed terminal capable of handling containers is being developed at Pandu, and a floating terminal at Silghat was also developed in association with the Numaligarh Refinery Ltd and is being used by a private operator. At Jogighopa, too, a mechanical loading/unloading facility is being created to upgrade current floating terminals.

2.2.5 Shortage of IWT Vessels

The Inland Waterway Transport has few vessels to run services in eastern and northeastern India. The Central Inland Water Transport Corporation (CIWTC) owns a number of vessels, and so do the WBSTC (West Bengal Transport Corporation), Vivada Transportation Corporation and IWTDA; they are not enough, though, to cater to proposed needs.

2.2.6 Dominance of Bangladeshi Vessels in IWT

The cargo movement from India to Bangladesh has increased manifold in the last few years, mainly on account of enhanced export of fly ash, slag and gypsum for cement factories in Bangladesh. Most of this cargo is, however, transported using Bangladesh vessels: Despite the prescription of 50:50 cargo-ratio in the protocol, the share of Indian vessels in IWT inter-country trade remains insignificant. Bangladeshi private operators continue to carry the advantage of low vessel cost because of various factors, such as cheaper diesel cost in Bangladesh, cheaper labour cost and lower capital cost of Bangladesh vessels vis-a-vis Indian vessels. These lower costs, in turn, are due to less stringent construction and safety standards adopted in Bangladesh.

2.2.7 One-Way Traffic

A vital challenge in trading with Bangladesh is that the traffic has remained largely one-way: Except for jute, there is not much demand for imported items from Bangladesh in India. Garments have been another major commodity from Bangladesh but demand has declined over the years. The result is that most traffic carrying goods travel from India to Bangladesh



and come back empty. This increases the cost incurred by private trading agencies and discourages economic linkage.

2.2.8 Renewal of the Protocol as an Obstacle

The movement of vessels between Bangladesh and India is taking place under the provisions of this protocol. However, this protocol on inland water transport is renewed on a monthly basis which is considered to be the foremost obstacle to inland waterways transport corridors between Bangladesh and India. One month is not enough for the transporters to book cargoes and vessels and organise their schedules to carry on the business. As a result, only a small number of vessels are plying on both inter-country and transit routes, causing the trade to suffer. The spirit of the agreement gets lost in the process.

The protocol is also restrictive: the only ports of call in India are Kolkata, Haldia, Pandu and Karimganj, and in Bangladesh, Khulna, Mongla, Narayanganj and Sirajganj. Traffic destined for other locations in Bangladesh, such as Barisal and Bhairab Bazar, incurs additional transshipment costs from the nearest port of call, resulting in waterways transport not being competitive.²¹

There is no discussion yet regarding the development of Mongla port although there are plans for making the Asuganj and Narayanganj ports into hub ports. In 1954 the anchorage was transferred to the Mongla port because of its potential for accommodating and handling deeper vessels. Developing the Mongla port and enabling it to have better facilities with larger cargo handling abilities may help in relieving traffic from the Narayanganj route. The Mongla port is connected to other inland river ports and, more importantly, to the Khulna rail terminal. There are possibilities of multi-modal connectivity through the Mongla port and onto rail and road routes further inside Bangladesh, a possibility being explored by the Bangladesh Institute of International and Strategic Studies (BISS), according to Dr. Mahfuz Kabir, Senior Research Fellow at the Institute.²²

At present, the inland waterway services between these two states focus only on cargo movement and entail no passenger service. Against this backdrop, one recent development has been by Rabinowich, an International Tiger expert group. This group conducted a tour from Kolkata to Dhaka via waterways. This encouraged Kolkata based journalists like Santanu Sanyal, to suggest that the Calcutta Cruise Company should organise similar services, even on a periodic basis if not regularly. The Inland Waterway services are essentially used for two purposes, namely: 1) bilateral trade; and 2) transit (cargo movement through Northeast and Bangladesh river system). Earlier, the river route between Kolkata and Assam was one of the most thriving routes and was active in the movement of goods and people. Today the renewal of the earlier route has become a challenge. Recently, Chhatak was added as a transit call. India holds the view that identification of route can be established based on the cargo and navigational status of the river.²³

According to Sanyal, in 2010 there was an agreement with Bangladesh, which allowed India to use the Ashuganj port. The Inland Waterway Authority of India (IWAI) has doubts about the relevance of the Protocol routes since the entire trade is dominated by Bangladeshi quarters.



Indian operators do not enjoy the subsidies which exist for Bangladeshi operators. Central Inland Water Corporation Limited (CIWTC) is the active player in the Inland Water Transport. There is only one commodity which is tradable, fly ash from Kolkata to Bangladesh. The International Union for Conservation of Nature (IUCN), one of the leading international non-governmental organisations working on the most pressing environment and development challenges across the world, has estimated that 1.5 million tonnes of traffic can be moved along this route. According to the IUCN, new items like coal, iron ore, pellets and food grains, should also be exchanged.

Trade through protocol routes had become expensive primarily because of their lesser use as the maximum share of trade between India and Bangladesh takes place via roads. Therefore new river routes for trade are to be explored.²⁴

Dr. Nilanjan Ghosh, ORF Senior Fellow²⁵ made an interesting point that over time, as the mangrove forests are receiving increasingly less quantities of water the area is losing one of its most critical species, i.e., the hilsa. Hilsa fish has a tendency to move to the sweeter side of water, therefore the best quality of the fish are moving towards the Myanmar side, as a result of which the trade potential of Bangladesh is significantly diminished.²⁶

2.3 Proposals for Improvement

Currently, there is one Inland Container Terminal (ICT) at the Pangha–Dhaka port. A proposal for a new Inland Container Terminal at Ashuganj has been the subject of discussions between the two countries; Bangladesh has prepared a Detailed Project Report. Since then, however, the matter has not made much headway. The Ashuganj-to-Zakiganj line is seasonal and Bangladesh has sought India's help with regard to the improvement of the line. India's response on this is awaited. The improvement of this line would benefit both countries, according to initial estimations. The Bangladesh Transport Policy Note released in 2009 reveals that India has recognised the problem and is taking action to provide new terminals capable of handling containers.

Storage facilities are being planned at the proposed terminals in India and, depending on the utilisation of these terminals and routes, the provision or upgrade of these facilities could be occasionally considered. If similar facilities are provided in the Bangladesh portion of the protocol routes, it will enhance utilisation of the routes. It is to be noted that the maintenance cost that India used to give Bangladesh since 1972 was INR25,000. While it has been increased to 10,000 crores, it remains insufficient.²²

To make the inland waterway route more viable, therefore, there should be more imports from Bangladesh. At present, Bangladeshi shippers get diesel at a subsidised rate and thus the shipping costs are not high. However, Indian ships pay regular diesel prices. This should encourage traders and shippers from Bangladesh to trade more with India. Indeed, to relieve traffic on land ports such as Benapole-Petrapole, the possibilities of increasing river traffic both ways between the countries need further exploration. Bangladesh is also exploring



the possibility of expanding inland waterway routes to Bhutan, according to Md. Shafiqul Haque, Director, Marine Safety and Traffic Management and Mahmud Hasan Salim, Director, Planning, Bangladesh Inland Waterway Transport Authority.

The Major Hindrances

- Bangladeshi vessels outnumber Indian vessels. Why so? Deriving a viable answer to this is important.
- Indian operators complain that while Bangladesh vessels are allowed by India to load, unload cargo at various jetties around the designated parts of call, the same facility is not given to Indian vessels.
- The Indo-Bangladesh Protocol on Inland Water Transit and Trade does not provide any tourism operation involving passenger traffic and the tourism potential of northeast remains untapped.
- River notices indicating the depth in the protocol route are not shared at present by both countries. These should be done to increase awareness between both the countries.
- Inter-country trade is forbidden in discharge cargo or passengers in the country through which they are passing.
- There is no container handling terminal in Bangladesh where Indian vessels can load or unload containers, so dissuading the bigger Indian-operators to operate inter-country trade.

For instance, the Jogigopa-Pandu-Dhubri route with India can be turned into a tripartite one with the inclusion of Bhutan; this will be important for the Padma Setu in Bangladesh. This route can also include Nepal. Nepal is helping in the upgrade of the Banglabandar land port in Bangladesh. Coastal agreements exist with India and cover Vizag, Paradeep and other ports along India's eastern and southeastern coast.

There is a lot of demand in both the countries for enabling passenger traffic through the Protocol routes. The Protocol therefore needs to be amended to include passenger traffic. A proposal for this has been submitted by Bangladesh and is scheduled to be raised again at the 17th Standing Committee meeting. There is also the need to explore how Bangladeshi customs barriers can be removed to include more items from both India and Bangladesh.

Among the additional routes that can be explored for both cargo as well as passenger traffic are the following:

- Namkhana-Khulna-Kolkata-Mongla-Barisal-Chandpur-Dhaka-Silghat-Pandu-Dhubri. For Bhutan, it can be extended by road to Jogighopa.
- Karimganj. Along the Surma river, which is used for domestic cargo, it can be connected with the Protocol route, although there are certain physical barriers such as avalanches and Tipaimukh. It can still be worked out if both sides agree, though it may be expensive.



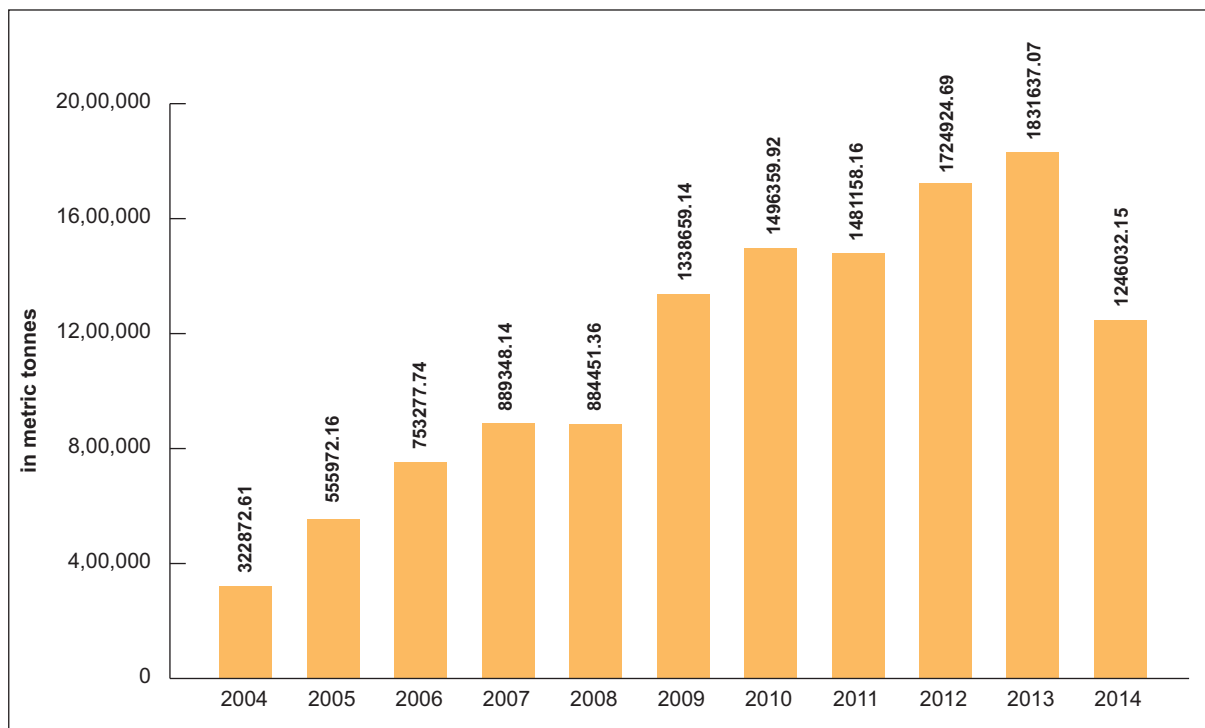
- Demagiri-Rangamati riverine route may be connected by road to Chittagong and further inland.

Both governments are studying proposals for multi-modal connectivity. For instance, after entry via Angtihar, larger vessels can rest while smaller tourist vessels can carry passengers and cargo further inland. Another possibility for connectivity is from Chandpur towards Chittagong.

Two key proposals for enhancing connectivity have been suggested by Captain Bagchi, Director of Marine Department, Kolkata Port Trust: (a) improve the health of the rivers so that they become navigable throughout the year and also enable deeper vessels to ply; (b) increase the draft and vessel speed so that more vessels can ply and balance the movement of cargo on both sides.²⁷

The Inland Waterways Authority of India strongly emphasises the need for increasing the duration of validity of the Indo-Bangladesh Trade & Transit Protocol for longer periods of time. During meetings between representatives of both governments in April 2015, it was decided that the Protocol would be automatically renewed after every five years. Another important proposal advanced by the IWAI is the need to link major river ports—like Jogighopa, Tejpur, Silghat, Oriyam ghat, Dibrugarh, Karimganj, Badarpur and Ashuganj—with multi-modal rail and road connections. This, in turn, will offer an outlet to India’s northeastern states via

Figure 1: Cargo Movement through Indo-Bangladesh Protocol Route 2004-14



Source: Director, Inland Water Ways Authority of India

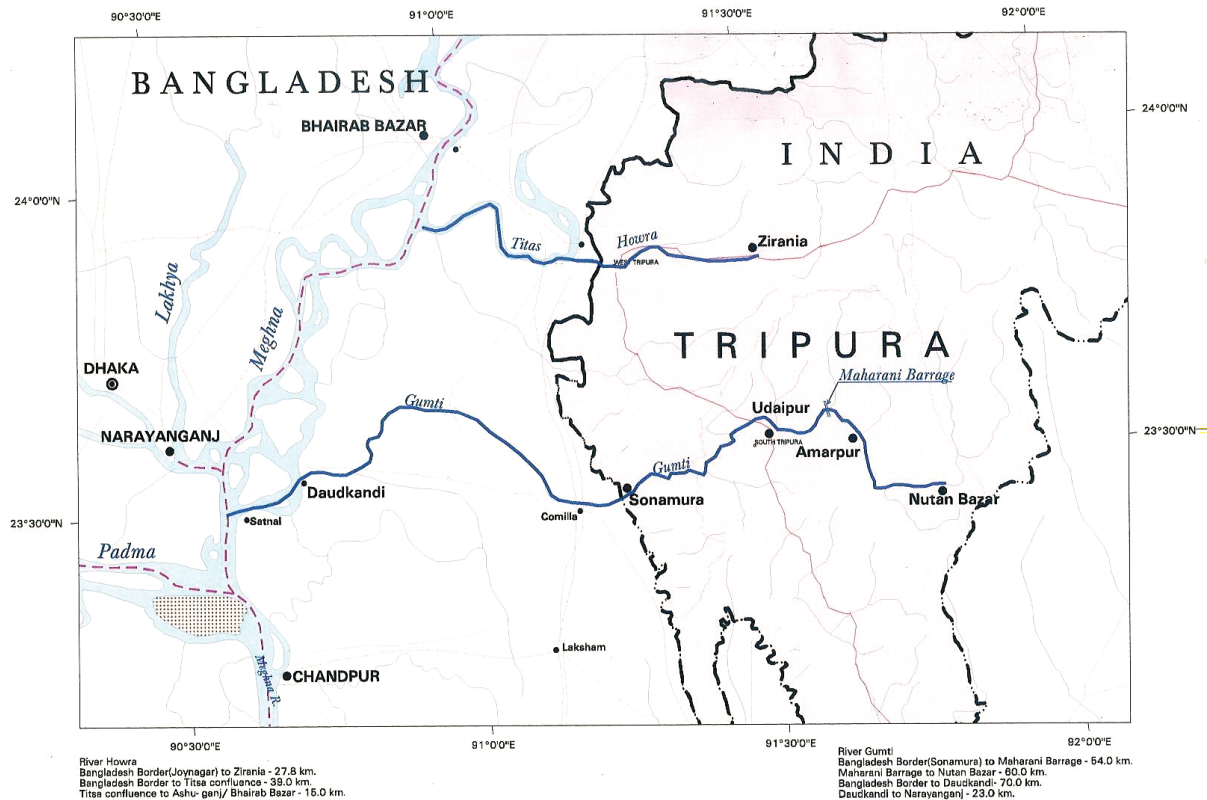


waterways, in addition to road and rail infrastructure. This in fact will also help to remove pressure from rail and road links through the Chicken's neck link to the Northeast. After the declaration of Barak river as a National Waterway of India, terminal facilities at Bhanga (19 km upstream of Karimganj), and at Badarpur, would be taken up by the Inland Waterways Authority of India (IWAI).

Following the feasibility studies undertaken by the Rail India Technical and Economic Services (RITES), India has decided to submit a concrete proposal to Bangladesh for opening new waterways. RITES has prepared a detailed project report which it has submitted to the IWAI. Initial fund involvement is pegged at INR47 crore. It has also been reported that the IWAI has set up a scheme for the development of waterways in northeastern India. The North Eastern Council (NEC) is likely to provide funding. The Tripura government has already proposed to the Central government that it should take up matters with Bangladesh to declare Gumti as a national waterway in view of its potential of establishing linkages with Bangladesh.²⁸

The utilisation of inland waterways for both transit and trade is beneficial not only for relieving the pressure off rail and road traffic but also because it is a much more cost-effective mode of transport.

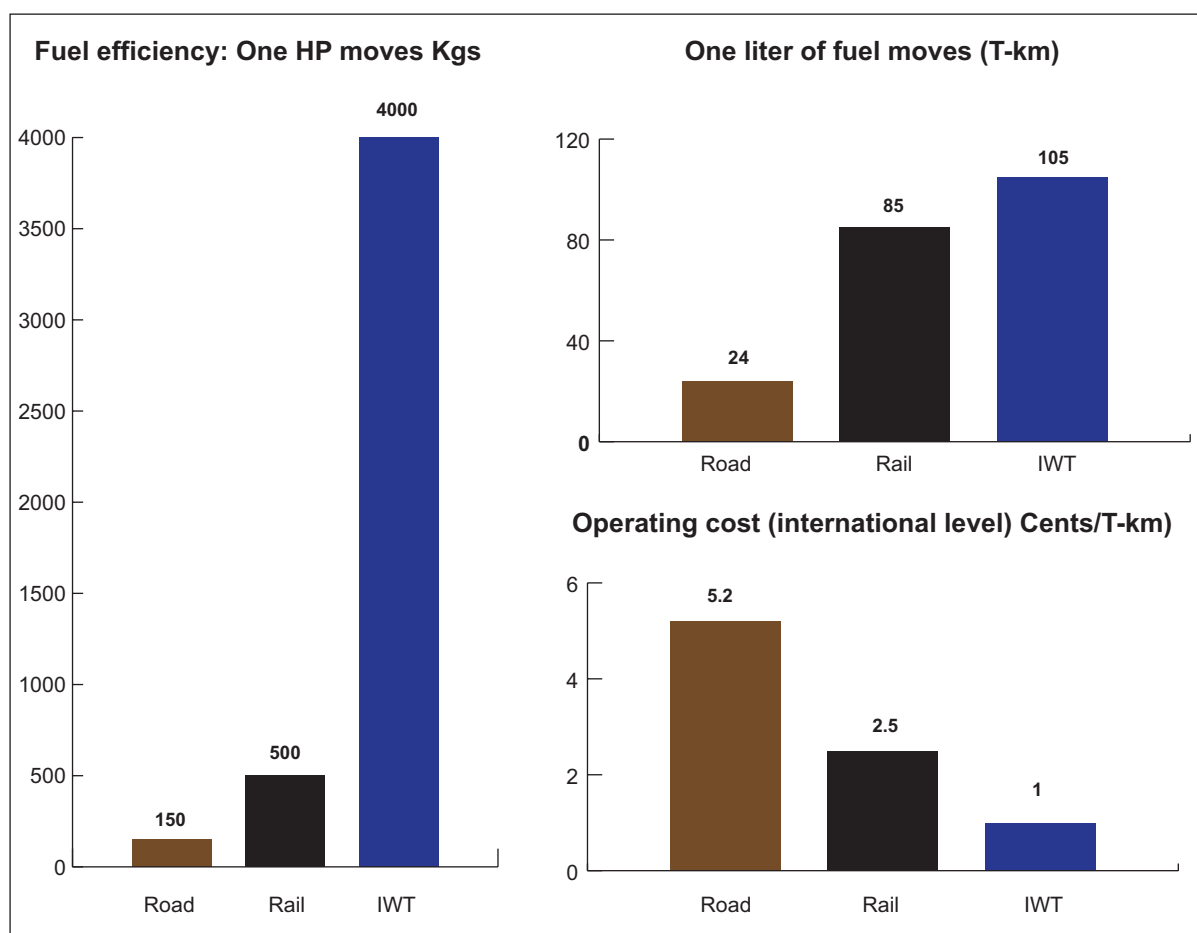
Map 5: IWT Protocol Route: Connectivity of Tripura through Ashuganj



Source: Director, Inland Water Ways Authority of India



Figure 2: Inland Water Transport- A Cost Effective Mode of Transportation



Source: Inland Waterways Authority of India, 'Inland Water Transport in Northeast', Shillong, 19 June 2012.

2.4 Coastal Shipping Agreement between India and Bangladesh

The Bangladesh Cabinet recently²⁹ approved a draft proposal that would allow coastal trade between India and Bangladesh. This agreement will go a long way in helping to reduce the time taken at present for trade between the two countries through sea and river routes. It is expected that the agreement will be ratified during the visit of Prime Minister Modi to Bangladesh in June 2015. The agreement was finalised during a Secretary-level talks during the visit of a delegation from Bangladesh to India from April 19-23rd. Port of calls include the Pangaon (ICT) in Bangladesh and the Farraka and Bandel on National Waterway (NW)-1 on the Indian side.³⁰ The Indian government will be holding talks internally before deciding whether Farakka becomes a port of call.

At present, trade through sea routes passes via Singapore or Colombo. The time and cost of trade through this route is therefore higher (involving four to five days for ships from Bangladesh to reach India) and this is why the coastal trade agreement will become very



important for India and Bangladesh. Trade through the coastal route will reduce both the time and cost of trade and thus create scope for increased economic cooperation and benefits.

According to the terms of the agreement, the route will be open only for the movement of cargo and will not include within its purview the movement of passengers, war ships, paramilitary forces and vessels of oceanographic and scientific research. The implementation of the agreement will be done through a standard operating procedure (SOP) which is being prepared.

The agreement will be functional for a tenure of five years with provisions that facilitate automatic renewal.

3

Possibilities and Challenges in Energy Trade Between India and Bangladesh



The contemporary security discourse has indeed come a long way from the long-held, conventional perspective of Strategic Studies. In a world confronting depleting resources, the idea of 'security' is no longer complete today without the concomitant issue of energy security. Unless a country has access to scarce energy resources, its huge stockpiling of arms and ammunitions can hardly make it safe. Moreover, there are certain problems faced by contemporary societies which cannot be efficiently dealt with by individual states alone. There may be a requirement of some trans-national initiatives which can try to solve some of society's present-day problems. Keeping these factors in mind, the present section deals with possibilities and challenges in cross-border energy trade between India and Bangladesh. The real significance of India-Bangladesh energy connectivity is not just what it can do for India and Bangladesh together, but how this can facilitate broader cooperation within the region of South Asia and beyond.



3.1 Energy Indicators in India and Bangladesh

Energy has come to be known as a 'strategic commodity' and any uncertainty about its supply can threaten the functioning of an economy, particularly in developing economies. Energy security has long been a major challenge faced by both India and Bangladesh. Over the last three decades, relatively higher economic growth has meant higher demand for energy products and services which, in turn, has led to even higher energy vulnerability for India.³¹ Home to more than 17 percent of the world's population, India accounts for roughly 0.3 percent of global oil reserves, 0.7 percent of natural gas reserves and 7.0 percent of coal. On the other hand, with about 0.2 trillion cubic metres (TCM) of gas reserves, Bangladesh accounts for only about 0.1 percent of global natural gas reserves, and virtually no oil reserves and negligible coal reserves, although it is home to about two percent of global population. India has significant hydropower potential and only a part of this is currently being exploited. Bangladesh, given its flat topography, has almost non-existent hydropower potential in its territory. Moreover, like in other South Asian states, traditional fuels have always played an important part in the energy supplies of both Bangladesh and India, but they have now become rather stagnant, environmentally unsustainable and unable to cope with the increasing demand for modern commercial fuels.³²

According to Energy Statistics 2013, the power sector in India had an installed capacity of 236.38 Gigawatt (GW) as of March 2012, posting an increase of 14 percent over the numbers of March 2011. Captive power plants generate an additional 36.5 GW. Thermal power plants constitute 66 per cent of the installed capacity, hydroelectric about 19 per cent and the rest 15 per cent being a combination of wind, small hydro-plants, biomass, waste-to-electricity plants and nuclear energy. Projections made in the Twelfth Plan document of the Planning Commission of India indicates that total domestic energy production of 669.6 million tonnes of oil equivalent (MTOE) will be reached by 2016-17 and 844 MTOE by 2021-22. This will meet around 71 percent and 69 percent of expected energy consumption, respectively, with the balance to be met from imports, projected to be about 267.8 MTOE by 2016-17 and 375.6 MTOE by 2021-22.³³

On the other hand in Bangladesh, since the government under Sheikh Hasina took charge, power generation was pegged at a range of 3,200 to 3,400 MW, against the national demand of 5,200 MW. In the election manifesto, Hasina's party declared a specific power generation commitment of 5,000 MW by 2011 and 7,000 MW by 2013.³⁴ To achieve these goals, in spite of major deterrents like an energy crisis and shortage of gas supply, the government has taken several initiatives to generate 13,000 MW by 2018. According to a government report, 5,415 MW of power has already been added to the national grid as of June 2014, 500 MW of which is imported from India. In this context, it is worth noting that the government has already developed a Power System Master Plan 2010 which forecasts demand at some

India can provide leadership to form a cross-border sub-regional power grid, which would be beneficial for the larger neighbourhood.



19,000 MW by 2021, and 34,000 MW in 2030. To meet this demand, the generation capacity should be 39,000 MW in 2030. The plan suggested a fuel-mixed option, namely: domestic coal, 30 percent; imported coal, 20 percent; natural gas (including LNG), 25 percent; liquid fuel, five percent; and nuclear, renewable energy and power import, 20 percent.³⁵ In line with the Power System Master Plan 2010, an interim generation addition plan up to 2018 has been prepared. (See Table 4.)

Table 3: Plants Commissioned During 2009 – December 2013 (MW)

YEAR	2009	2010	2011	2012	2013	TOTAL
Public		255	800	607	587	2249
Private	356	520	963	344	76	2259
Power Import					500	500
Total	356	775	1763	951	1163	5008

* From January to June 2014: Total 407 MW of capacity Power Plants commissioned.
Source: <http://www.powerdivision.gov.bd/user/brec/112/58>, accessed on 12 January 2015.

Table 4: Calendar-Year-Wise Generation Addition programme (From 2014 to 2018) (MW)

YEAR	2014	2015	2016	2017	2018	TOTAL
Public	225	1293	1475	2131	1320	6444
Private	1024	1218	1014	640	630	4526
Total	1249	2511	2489	2771	1950	10970

Source: <http://www.powerdivision.gov.bd/user/brec/112/58>, accessed on 12 January 2015

There is another huge challenge to India and Bangladesh's energy security: the lack of access to energy for large sections of its populations. India's per capita total primary energy supply (0.60 tonne) is lower not only than the global average but even that of Africa. In Bangladesh, it is even worse at 0.21 tonne per capita. Considering all forms of energy, India's dependence on outside sources is about 28 percent of its total supplies. Similarly, in the case of Bangladesh, its dependence on outside energy sources is about 18 percent of its total supplies, which is largely in the form of oil.³⁶ Moreover, the demand for power in Bangladesh is at its peak during summers but the power frequency remains the same, thus creating a gap between demand and supply.³⁷



Table 5: Energy indicators in Bangladesh, India and other regions (2011)

Country/Region	TPES/Pop (toe/capita)	TPES/GDP (toe/ thous 2000USD)	TPES/GDP (PPP) (toe/thous 2000USD)	Per capita Electricity Consumption (KWh)
South Asia	0.55	0.55	0.17	580
OECD	4.28	0.14	0.14	8226
World	1.88	0.25	0.19	2933
Africa	0.67	0.55	0.25	592
Bangladesh	0.21	0.36	0.13	263
India	0.60	0.57	0.19	673

[Note: toe= tonne oil equivalent; KWh= kilowatt hour; TPES= total primary energy supplies; GDP= Gross Domestic Product; PPP= purchasing power parity]
Source: IEA (2013)

This figure is lower than that for many neighbouring countries like Japan, South Korea, Taiwan and Singapore. However, India’s net energy import bill is around USD120 billion, which translates to about 40 percent of its total exports. The amount is higher than for many countries. As India relies largely on imported energy products and services, it causes for much concern for energy vulnerabilities. Similarly for Bangladesh, at about USD5 billion, the energy import bill is one-fifth its total exports.³⁸ Thus Bangladesh is also an energy-vulnerable country and the situation is only likely to get worse. With these factors in mind, the next section will deal with existing trends in cross-border energy trade between India and Bangladesh and explore the scope for further development.

3.2 India-Bangladesh Cooperation in Power Sector

The possibility of exporting gas-based power to India, while augmenting supplies in Bangladesh, has long been discussed. A pre-feasibility study prepared for the government of Bangladesh under the USAID SARI-E programme in 2000 demonstrated that a gas-fired, combined cycle power plant of 500MW to 1000MW capacity located at Bheramara or Sirajganj, and exporting a minimum of 400 MW to the eastern grid of India, would be competitive in the Indian power market with a delivered power cost of about 4.4 to 4.7 cents/kWh. Similar options for power plants located at Sylhet or Fenchuganj were also estimated to be economic and competitive. Since then several proposals have been made to the government for similar power plants in Bangladesh.



The most talked about proposal in this context has come from the Tata Group in India. The Tata Group plan includes a steel plant with an annual production capacity of 2.4 million tonnes, a urea factory with a 1-million-tonne capacity, a 500-megawatt coal-fired power station and a 1,000 megawatt gas-fired power plant. It would also involve export of electricity to India. Gas-fed power generation is considered to be more efficient owing to newer energy cycles achieved through combined cycle turbines. The projects would amount to be the largest single foreign investment ever made in Bangladesh and would equal the total the country has received since 1972.³⁹ Bangladesh authorities, however, have not responded positively to any of these proposals.

In November 2009 the India-Bangladesh cooperation was formally initiated, followed shortly by a visit of high-level Bangladesh delegation led by the Secretary, Power Division, Ministry of Power, Energy & Mineral Resources, from 18 to 22 November 2009. A Memorandum of Understanding was signed between the two countries on 11 January 2010 during the visit of Bangladesh Prime Minister Sheikh Hasina. The MOU laid down the salient terms of the proposed cooperation on power sector between the two countries. It included the following:

- Exchange of power through Grid connectivity between the two countries
- Joint venture (JV) investment in power generation
- Capacity development of Bangladesh Power Development Board (BPDB)⁴⁰

The MOU also provided that a Joint Steering Committee (JSC) to be co-chaired by both the power secretaries, as well as a Joint Working Group (JWG), would be constituted to promote and facilitate cooperation. It was agreed that the JWG would meet at least twice a year while the JSC would meet at least once a year to review the progress.

It was decided that establishment of a grid connectivity would be the first step, which would allow power trading between the two countries. Based on a detailed techno-economic analysis undertaken by a joint technical team, it was agreed that the most effective option would be to set up an interconnection between Baharampur in India and Bheramara in Bangladesh. The scope of the project includes a 400-KV, 30-Km double circuit line from Bheramara to Baharampur, and the establishment of a 500-MW, 400/230-KV back-to-back high-voltage direct current (HVDC) substation at Bheramara. In the proposed Bheramara HVDC centre, existing in Ishardi-Khulna (South) 230 KV double circuit transmission line was designed loop in-loop out 5 km. The transmission line was designed for an ultimate power flow of 1,000 MW. ADB is financing the project from the Bangladesh side.⁴¹ As a result of this cooperative endeavour, Bangladesh is receiving nearly 470 MW, of which 250MW is at a negotiated price, while the rest is being procured from the Indian market. However, issues like system loss have become a major concern for Bangladesh at present. Bangladesh purchases power from India, but some of it is lost in transmission.⁴²

Discussion is also going on for the export of about 100MW of electricity from the Indian northeastern state of Tripura. This will require the construction of only about nine Km of



transmission line. In this context, the statement of Indian Deputy High Commissioner in Dhaka, Sandeep Chakravorty, is noteworthy. He confirmed that “several steps have been taken following the Indian government’s commitment of supplying 100 MW of power to Bangladesh from southern Tripura’s Palatana power plant. The Power Grid Corporation of India Limited (PGCIL) would construct a transmission line from western Tripura’s Surjyamaninagar power grid to Comilla (in eastern Bangladesh) power grid to supply the power”.⁴³ India is also building a coal-based power plant near Khulna in Bangladesh as a joint venture, though the plant has come under environmental scrutiny owing to its proximity to the Sunderbans.

Experts argue that if the surplus power needs to be transmitted to other regions of India through the narrow stretch of Siliguri corridor in West Bengal, it is certain to face obstacles. India intends to transmit this surplus power through Bangladesh territory. Part of the power can be consumed in Bangladesh as well. There has been no concrete progress in this regard.

3.3 Scope for Energy Trade between India and Bangladesh: Oil and Natural Gas

Both India and Bangladesh are heavily dependent on other countries for their oil requirements. Under the circumstances there is hardly any scope for trade in oil between them. Indeed this is quite true for crude oil. However, experts still maintain that there is significant scope for trading in refined oil between them; this sphere has hardly been explored.⁴⁴ Refining is an area where India can help Bangladesh to deal with her refining capacity constraints. Bangladesh, for its part, has discovered coal resources of its own, much of which are not yet utilised and India might help Bangladesh to access these resources. Transported and traded gas is yet another area of cooperation which holds promise.⁴⁵

Table 6: India-Bangladesh Energy Trade

Petroleum Products	Bangladesh imports from India
Coal	Bangladesh imports from India
Electricity	Bangladesh receives about 470MW of electricity through the Baharampur-Bheramara transmission line.
Gas	No trade

Source: Nitya Nanda & Krishna Swaroop Dhar Dwivedi, “India- Bangladesh energy Relation” in *Energy and Power*, in <http://ep-bd.com/online/details.php?cid=32&id=17519>, accessed on 13 March 2015.

India, being one of the most energy-hungry countries in the world, has long been keen on exploring various options for procurement. India’s access to assured gas supplies continues



to be uncertain and the country frequently pays higher prices for spot LNG purchases.⁴⁶ The importance of gas to India's development aspirations is obvious: in 2011-2012, 10 percent of electricity produced in India came from gas, next only to coal and hydro-power.⁴⁷

The first proposal to export natural gas from Bangladesh to India has come from one of the foreign producers operating in Bangladesh. Unocal (now Chevron)—which has developed a gas field in north-eastern Bangladesh—proposed the construction of an 847-mile (1363-km) gas pipeline from Bibiyana to New Delhi.⁴⁸ However, the issue soon became politically contentious in Bangladesh and the proposal was nipped in the bud. Natural gas being the only energy resource available within its territory, Bangladesh was reluctant to part with it.⁴⁹

According to Md. Mizanur Rahman, Chief Engineer, Planning and Design, Bangladesh Power Development Board, the country has 15-16 TCF reserves. If offshore reserves are also found, the import of coal can be substituted with gas. There is high domestic demand and the common assumption for a long time has been that there is not enough gas. Technological improvements too can make way for the substitution of coal with gas. Moreover, 3rd or 4th generation technological changes can allow more potential for the generation of energy.

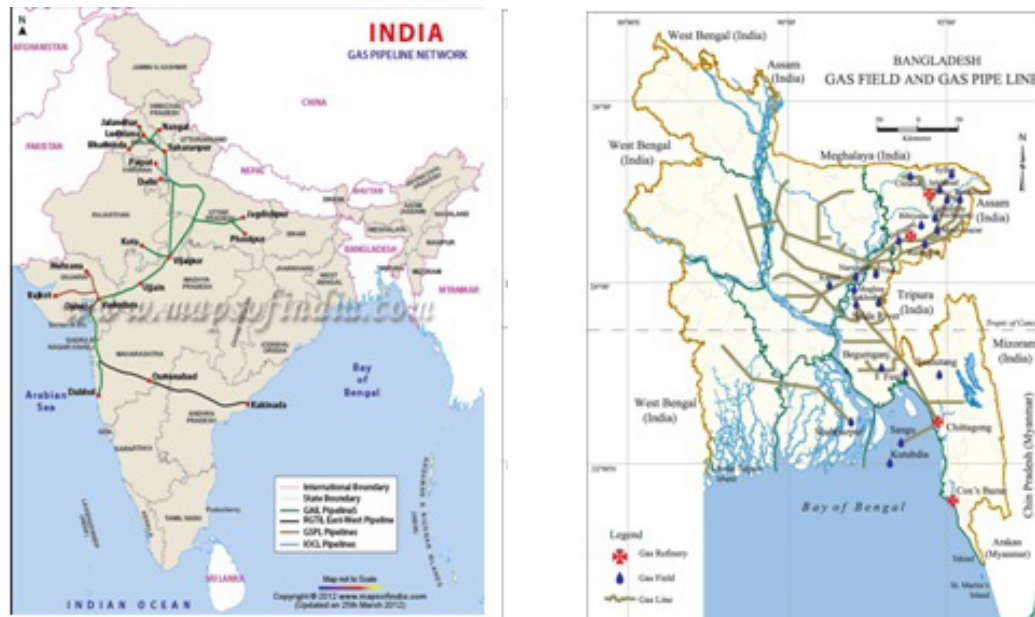
An important factor in India-Bangladesh cooperation in the field of natural gas could be Myanmar, which has estimated natural gas reserves of 89.722 tcf, of which 18.012 tcf are considered proven recoverable reserves. Investors from various countries are engaged in the oil and gas sector of Myanmar, including Australia, Britain, Canada, China, Indonesia, India, South Korea, Malaysia and Thailand. ONGC and GAIL of India have a 30-percent stake in partnership with Daewoo of South Korea (60 percent) and South Korean Gas Corporation (10 percent) in the off-shore gas exploration of Blocks A-1 and A-3 off the western Rakhine coast. GAIL and Essar of India have other assets as well in Myanmar. While some companies have been there since 2000, PSC-1 on-shore block in Central Myanmar worth US\$ 73 million has been awarded to Jubilant Energy of India on the basis of a global tender in 2011.⁵⁰ Recently, Indian company ONGC Videsh Ltd successfully bid for two on-shore blocks⁵¹ in the 2013 Myanmar Oil and Gas bids.

In order to transport this gas to India, negotiations have been held with the Bangladesh government to provide transit facilities when necessary. Although in January 2005 Bangladesh agreed to allow the 559-mile pipeline to pass through its territory, such acceptance by the Bangladesh government was subject to several conditions, including the grant of several trade concessions, the removal of tariff, non-tariff and administrative barriers to Bangladesh exports to India, the provision of access to hydroelectricity from Nepal and Bhutan and the establishment of a free-trade corridor to these countries (World Bank 2007). India, at that time, was not willing to give these concessions to Bangladesh; now it has agreed to all of Bangladesh's demands.⁵²

Earlier, India had considered alternative options for importing gas from Myanmar, including: (a) overland route to India bypassing Bangladesh; (b) under-sea pipeline to India; and (c) LNG shipments. However, reticence in decision-making cost India, and Myanmar decided



Map 6: Gas Pipelines in India and Bangladesh



Source: Chief Engineer, Planning & Design, Bangladesh Power Development Board

to sell the available gas to China. The construction of the Myanmar-China pipeline project which consists of dual oil and gas pipelines originating at Kyaukryu port on the west coast of Myanmar and entering China at Yunnan's border city of Ruili, also worked in favour of China. Meanwhile, the energy situation has also changed significantly in Bangladesh. It has started facing a shortage of gas, mainly due to its inability to tap full potential as well as failure to find significant additional reserves due to a severe lack of funds. Realising that a Myanmar-Bangladesh pipeline was not economically viable, in 2010 the Bangladesh government finally gave its approval to a potential Myanmar-Bangladesh-India pipeline.⁵³

According to Dr. Nitya Nanda of New Delhi's The Energy and Resources Institute (TERI), a lack of convergence in the energy policies of India and Bangladesh could have significant opportunity costs. The failure of the Myanmar-Bangladesh-India (MBI) pipeline project, notwithstanding, it cannot be overemphasised that the natural gas reserves in Myanmar are limited. Myanmar is not in a position to accommodate the needs of both China and the India-Bangladesh partnership. However, the discovery of the off-shore North-West Myanmar Gas Field—estimated to contain reserves of between 120–170 billion cubic metres of gas—has sparked renewed interest in the proposed pipeline to India via Bangladesh.

India is also building a coal-based power plant near Khulna in Bangladesh as a joint venture. An Indian company has also received exploration contract for natural gas in Bangladesh. India is developing a number of hydropower projects in its northeastern states. Bangladesh can, potentially, get supplies from these plants as well as help India transmit the power generated from this region to the rest of India. The potential for Bangladesh-India cooperation in the energy sector is much higher than what has been achieved so far.



A landmark step towards India-Bangladesh energy cooperation is the agreement signed at Dhaka on 22 April 2015, between the Numaligarh Refinery Ltd (NRL) and the Bangladesh Petroleum Corporation for the export of petroleum products to Bangladesh through the proposed Indo-Bangla Friendship Pipeline (IBFPL). The petroleum products will be transported from Siliguri in India to Parbitipur in Bangladesh. The IBFPL is a 130-km-long pipeline and is slated to be implemented through a joint venture company formed by NRL and Bangladesh Petroleum.⁵⁴

India is also looking to export electricity from its northeastern region with potential to generate some 58,971 MW to its eastern states through Bangladesh. A bilateral meeting between India and Bangladesh has been proposed to pick up on the thread from the recent SAARC Framework Agreement for Energy Cooperation for the eastern sector of South Asia. Through India, Bangladesh hopes to gain access to power resources of Nepal and Bhutan. Bangladesh has formally requested India to open a 'power corridor' for her to access Bhutanese and Nepalese markets. It has agreed to allow India to transfer hydroelectricity from Assam to Bihar through its territory. The proposed meeting would attempt to remove irritants in project-related areas. Four South Asian nations—India, Bangladesh, Nepal and Bhutan—will soon meet for a comprehensive multilateral dialogue on cross-border energy cooperation, according to Bangladesh Finance Minister AMA Muhith.⁵⁵ The next section will focus on the prospects of this multilateral energy cooperation.

3.4 Engaging with Bhutan and Nepal

India-Bangladesh energy cooperation could become more meaningful if countries like Bhutan, Nepal and, of course, Myanmar, are also brought into this framework. Bangladesh has already shown its interest to import power from Bhutan and Nepal. The cross-border trading with India opens up the possibility for power trading with Nepal and Bhutan as well. Negotiations for power trading with Myanmar are also going on. Under this process, 500 MW of hydro power will be transmitted to Bangladesh by 2017 from Myanmar.⁵⁶ According to a government official of the Bangladesh Power Development Board, a master plan was also created in 2010 for the development of power in Bhutan and Nepal which will help in regional power development. It can be achieved, though, only through cooperation with India.

On the other hand, the Association for South East Asian Nations (ASEAN) is in the process of developing a region-wide grid of natural gas pipelines and electricity transmission lines. India can get connected through these two ASEAN-wide grids just by developing transmission line and gas pipeline connections with Myanmar through Bangladesh. India-Bangladesh energy connectivity will therefore be pivotal in promoting energy connectivity between ASEAN and India, and beyond in South Asia.

Engaging with all the probable stakeholders at different levels needs to be considered to enhance and streamline trade and people-to-people interactions across the long border shared by India and Bangladesh.



There has also been a proposal to promote sub-regional economic cooperation involving the four countries of Bangladesh, Bhutan, India and Nepal, often referred to as the South Asia Growth Quadrangle. These options, however, have not taken any concrete shape so far. Today Bhutan is the only country in the region to have substantial surplus in capacity and generation, though its installed capacity is only 1,500 MW as against a potential of 30,000 MW. Bhutan today has substantial surplus capacity that has been developed largely with outside support, particularly from India.

The borders of Nepal, Bhutan and Bangladesh converge near Siliguri in the state of West Bengal in India. Considering this, a study under the SARI-E program suggested connecting Siliguri (India) to Anarmani (Nepal) and Thakurgaon (Bangladesh). It also suggested the alternative of connecting Purnea (India) to Duhabi (Nepal) and Ishurdi (Bangladesh). Connections from Chukha (Bhutan) to Siliguri and then on to Purnea already exist. Bilateral discussions between India and Bangladesh in the last 20 years have focused on interconnections from Jessore, Rangpur and Sylhet, but have not resulted in any action.

It is also worth noting that even eastern India (except for some pockets in the northeastern states) does not have access to natural gas. Failure to access gas from Myanmar has also

Map 7: Regional Power Exchange Possibilities



Source: Chief Engineer, Planning & Design, Bangladesh Power Development Board, Bangladesh



delayed the process of supplying natural gas to this region. Naturally, Bhutan and Nepal happen to border this region of India and, as a result, are unable to gain access to natural gas from India. Moreover, some parts of Bangladesh that border the eastern Indian state of West Bengal do not receive supplies of natural gas. Thus eastern India, western Bangladesh as well as Bhutan and Nepal, could benefit if all these regions are connected through gas pipelines.

In this context it is important to keep it in mind that a prerequisite for power trading in the region is the establishment of a regional power grid. This concept has been under discussion for quite some time and was adopted as a priority in a South Asian Association for Regional Cooperation (SAARC) declaration issued in January 2004. The SAARC Working Group on Energy is currently considering this concept.⁵⁷

While discussions about Bangladesh-India energy cooperation in the context of accessing natural gas from Myanmar have been on for some time, there is now a possibility that the proposal could take on a broader form. ASEAN has been an energy-surplus region for a long time, yet its surplus energy has generally moved eastward rather than westward. While regional energy cooperation within SAARC is only selective and on a piecemeal basis, ASEAN is going ahead in full force towards a comprehensive regional energy cooperation regime. SAARC has not even visualised energy cooperation beyond a regional electricity grid and a common market for electricity.

3.5 Road Bumps

Several constraints hamper the growth of India-Bangladesh energy connectivity. One of the recent controversies that has come up in the context of India-Bangladesh relationship is the Tipaimukh project, designed to generate 1500 MW of hydropower and ensure flood control for the Indian states of Manipur and Mizoram. This involves building a 162.8-metre-high rock-fill dam around 500 metres downstream from the confluence of river Barak with Tuivai. The project is expected to help control floods in Bangladesh as well. Owing to limited communication from India and little objective study conducted so far, speculative fears in Bangladesh still prevail and certain sections in Bangladesh are yet to be convinced of the benefits of the Tipaimukh project.⁵⁸

Another important challenge that Bangladesh and India had to face while finalising the transmission of power from India to Bangladesh through the Berhampore-Bheramara transmission line was to agree on the price of electricity to be traded. It took prolonged negotiations before a price could be agreed upon for supply of 250MW of power. Any additional power that Bangladesh is drawing from India is at market-determined price in India. Nevertheless, there is limit to the growth of pure bilateral cooperation and trade in energy between Bangladesh and India. Any meaningful growth in this relationship will be possible in an environment of deeper and broader energy cooperation in a sub-regional



framework involving Nepal and Bhutan on one side and Myanmar and beyond in Southeast Asia on the other.

India is being seen as a partner for joint efforts with Bangladesh to satiate its growing energy needs. At the same time, India's overwhelming political and economic power is seen as a threat. The problems that Bangladesh is facing are many, which include the high oil import dependency of the country with low resilience to oil price volatility and the limited ability to change existing energy resource base. The inefficient use of energy and the presence of a closed domestic market which is unresponsive to changes in the global energy market are other challenges being faced by the nation. However, India being analogically compared to the biblical figure of 'Goliath', is ironically facing the same problems as 'David', that is, Bangladesh.⁵⁹ The obvious and enduring answer to this problem would be enhancement of connectivity. Connectivity is projected to not only benefit market participants—as market benefits are not an end in itself in a democracy—but can also create a wider and fulfilling impact on people's lives in the concerned countries.

4

Border and Border Management



The border between India and Bangladesh has always been contentious, and has defined the relationship between the two countries to a large extent. The fact that it is the longest India shares with any country is an important reason for the difficulties encountered. It is also the reason why there is a need to establish mutually acceptable structures in the border areas (see Map 8).

The British must hugely bear the responsibility for creating this disconnect between the people who shared common strands of history, language, culture and tradition.



Map 8: India-Bangladesh Border



Source: Nations Online, http://www.nationsonline.org/oneworld/map/bangladesh_map2.htm accessed 13 October 2014.

The border, especially the part which runs along the state of West Bengal, for about 2,217 km, has been a complicated one, ever since the partition of India in 1947 and remained so even after the formation of Bangladesh in 1971. This is mainly because the border ended up dividing a land that for centuries existed as part of one socio-economic, political and cultural space. In fact, it is the porous nature of the border which is at the heart of issues related to border management between the two countries. The vast stretches of unmanned, unguarded border have created numerous trans-border problems, including undocumented migration, increasing amount of unofficial trade, smuggling of arms and drugs and contraband items, and crimes like kidnapping for ransom, human trafficking, cattle lifting, extortion and, crossborder movement of terrorists.



The British must hugely bear the responsibility for creating this disconnect between the people who shared common strands of history, language, culture and tradition. The demarcation of the boundary between India and Bangladesh was made abruptly by Sir Cyril John Radcliffe Leeway, Chief of the Boundary Commission. Sir Radcliffe lacked knowledge of India and faced an array of limitations, including that of time. The resultant boundary was thus extremely arbitrary, with no reference to any natural barriers on which the division could be relied upon.⁶⁰ The Partition left the majority on both sides of the border dissatisfied and created dissonances which the subcontinent has not been able to cope with till now.

The relations between India and Bangladesh have improved significantly in the past few years. The visits of Bangladesh Prime Minister Sheikh Hasina to India in January 2010 and of the former Indian Prime Minister Manmohan Singh to Dhaka in September 2011 have greatly helped in transforming the relationship. With the growth of this bilateral relationship the issue of border management has returned to the table. Prime Minister Narendra Modi has expressed a keen interest in enhancing friendly ties with Bangladesh. A special emphasis is being given on improving the economic relationship. India's decision to give duty-free access to all Bangladeshi products except 25 narcotics items is seen as a major step towards strengthening the bilateral trade relationship. As a result, Bangladesh's exports to India are expected to touch \$1 billion.⁶¹ The growth of the trade relationship will also increase movement of people and goods across the border and this will raise the demand for further easing of existing rules to facilitate smooth cross-border movement of goods and people.

4.1 Irritants in India-Bangladesh Relations

4.1.1 Illegal Migration

Illegal migration from Bangladesh is a major concern for India. The migration, which began from 1947 onwards, was largely provoked by political upheaval, religious persecution, demographic and environmental pressures. In addition, opportunities for employment and education as well as medical needs encouraged illegal movement of traffic. Though migration across the border is well acknowledged, there is lack of authentic data on the exact number of people who have migrated. Some studies claim that the number runs into millions. This has caused serious problems of security and social tension in many parts of India, especially in the Northeast. The illegal migration has disturbed the demographics in some of the Indian border-states and has created serious ethnic tensions. The anti-Bengalee agitation of the 1980s is a case in point.

Of late, Bangladesh has also been claiming the existence of illegal migrants from India. Media reports claim that Indians living illegally in Bangladesh are remitting billions of dollars to India.⁶² According to some Bangladeshi authors,⁶³ the figure is as high as 500,000 Indians sending about \$3,716 million.⁶⁴ People migrating to Bangladesh illegally, it is claimed, are from West Bengal, Meghalaya, Assam, Tripura and Mizoram. According to Bangladesh



government authorities, most of them come in search of jobs and mostly work in NGOs and garments and textile industries. These claims, official and otherwise, remain questionable for want of verifiable evidence.

4.1.2 Insurgent Camps in Bangladesh

Presence of insurgent groups from north-eastern states in Bangladesh has been a major cause of concern for India. Taking advantage of the porous border, insurgent groups from these states often base themselves in Bangladesh and run their operations from across the border. Following requests from India, Bangladesh took action against these groups. Many top leaders of these insurgent groups were arrested and repatriated. But the problem is far from over and, according to some media reports, many of these groups are still active in Bangladesh. During the 39th Border Cooperation Conference between Director Generals of India's Border Security Force (BSF) and Border Guards Bangladesh (BGB) in August 2014, India handed over a list of 71 camps of insurgent groups still active in Bangladesh.⁶⁵

4.1.3 Criminal Activities Across the Border

The porous border has encouraged cross-border criminal activities like smuggling of contraband, human trafficking (mainly of women and children) and circulation of fake Indian currency. Though there is no authentic data on the size of this illegal trade, some estimates suggest it to be around \$500 million annually.⁶⁶ A major reason for this flourishing trade is the export ban imposed by India. The demand for beef in Bangladesh is quite high but the supply is limited. On the other hand, India is a cattle surplus country and the demand for beef is fairly low. The issue is also important as it is directly linked to the killing of people along the border. Most of those killed at the border are cattle smugglers, often referred to by the Bangladeshi media as cattle traders. It is known that cattle smuggling would not survive without the support of the local population, border guards and the police.⁶⁷ The poor economic condition of people living on the border has been one of the reasons for growth of this trade. The border areas greatly lag in economic development.

The most effective and pragmatic step would be to lift the export ban on cattle. This would make the trade legal, facilitate health check-ups of animals and generate revenue. It would also stop needless deaths on the border. Bangladesh may bristle at the decision initially but could be convinced about its long-term benefits. As an initial step, cattle trade could be allowed at specially organised *haats* or markets on the West Bengal-Bangladesh border. The bigger problem, however, would be at home in India where cattle export is a highly emotive and sensitive issue. It would be difficult for any government to take the risk of legalising it, especially in an era of coalitions and regional compulsions or even more so under a BJP dispensation. However, it is in India's own interest to review the current approach to cattle trade across the border and build the much-needed political consensus by aligning national policy with ground realities and pragmatism.⁶⁸

Another major cause of concern has been the smuggling of contraband substances.



Bangladesh often raises the issue of Phensidyl, a cough syrup, which is smuggled from India and poses serious health hazards in Bangladesh. Bangladesh has been urging India to take appropriate measures to stop smuggling of this drug.

Smuggling of arms and explosives has been a major cause of worry too for both India and Bangladesh. For a long time, Bangladesh was used by Indian insurgent groups as a transit point for smuggling of arms into India. In 2004, 10 truckloads of arms were seized in the port city of Chittagong in Bangladesh that were destined for use by insurgent groups in north-east India. The Bangladesh government has been taking action against such activities and has prosecuted the culprits involved in the Chittagong arms haul. Interestingly, there is a great demand for Indian-made country guns in Bangladesh, which are smuggled into Bangladesh from India.⁶⁹ It has also been reported that Kolkata, Guwahati and Shillong have of late emerged as India's new smuggling hubs, due to a spurt in trans-border smuggling through Bangladesh, Myanmar and Nepal. According to Central Board of Excise and Customs statistics, a total of 35,500 cases of smuggling and commercial fraud in 2012-13 have been reported as compared to 33,251 cases the previous year. Of these, less than five percent are from Mumbai whereas Kolkata, Guwahati and Shillong accounted for over 64 percent.⁷⁰

Yet another issue of concern is the smuggling of fake Indian currency from Bangladesh. Fake Indian currency sourced from Pakistan is sent via Bangladesh and brought into India. The smuggling of fake Indian currency takes place along India-Bangladesh border in particular. A Delhi Police report reveals that there are fake currency gangs, which have been smuggling fake notes into India from Bangladesh. While arresting a fake currency racket very recently the police said the accused and their associates obtained high quality fake currency at about 25 per cent of its face value in Bangladesh and sold it to chain retailers at 45 per cent of the face value. These smugglers were thus earning approximately Rs 20 per hundred rupee note.⁷¹ However, because of clandestine nature of these activities it is very difficult to assess the quantum of illicit trade.



India, Bangladesh Border at Sonamura, Agartala India.

The network of illegal trade or smuggling including human trafficking is very strong and it demonstrates how border produces a spatial and exceptional economy, which runs parallel to normal economy. In many cases the smugglers conspire with the state apparatus. In this context it is important to understand how the smuggling business is organised and controlled by various 'syndicates' and how these syndicates are extremely well connected with the higher



levels of political parties, civil administration and police, so that their identities have rarely been exposed.

The complex procedures involved in undertaking legal cross-border trade have also contributed to the growth of illegal trade. The volume of illegal trade is estimated to be double that of legal trade. The items most commonly smuggled from Bangladesh include sarees, diesel, fish and mosquito nets. Items smuggled from India include sugar, salt, medicine, betel nut, timber, among others. The inefficient functioning of the Land Customs Stations has also been a cause of concern. Lack of infrastructure and lack of coordination among various agencies cause delays in clearance of passenger and cargo traffic and this has become a major obstacle to trade.

Since the border has been susceptible to cross-border criminal activities such as smuggling of cattle, narcotics substance, arms, illegal movement of people and terrorism, both countries are apprehensive about opening it up. The belief that a peaceful Indo-Bangladesh border will be a harbinger of prosperity is, however, gaining ground in both countries. The real challenge will be for the two countries to create policy instruments and mechanisms to allow seamless movement of legitimate goods and people while also maintaining peace and stability and providing security.⁷²

Border management has gained importance on both sides of the border for the following reasons:

- To streamline the large volume of informal trade that takes place between the two countries with measures that would enable participation of people in the border areas. There is need to strengthen and increase border *haats* which have a lot of potential in improving economic engagement, not only between the two countries, but also among people living in these areas who depend almost entirely on informal trade.
- To ensure that legal cross-border movement takes place smoothly and illegal/undocumented movement is minimised.
- To ensure that terror outfits do not use vulnerable border areas for passage. Security detail on the border areas needs to be increased. This is especially required on the Bangladeshi side of the border where the number of personnel deployed for patrolling is lower than on the Indian side.

India and Bangladesh have a number of border management instruments in place such as the Joint Working Group on the Border, periodic flag meetings, and bi-annual meeting of the Border Security Force (BSF) and the Border Guard of Bangladesh (BGB) commanders. A Coordinated Border Management Plan (CBMP) was signed between the Director Generals of BSF and BGB on 30 July 2011, under which more than 1,200 joint patrols have been undertaken so far, leading to a reduction in the number of border deaths.⁷³

The major challenge at the border is controlling illicit and undocumented cross-border activities without disrupting legitimate movement of goods and people. While some irritants



in border management have been discussed above, there are others that need to be addressed to understand the dynamics of the relationship.

4.1.4 Feminisation of Undocumented Migration

Crossing the border is a daily routine for many in both India and Bangladesh. There has been an increase in the trafficking of women and children, narcotics and drugs along with an increase in illegal and undocumented migration between these two countries.⁷⁴ The growth in cross-border migration and trafficking flows has resulted from a combination of push, pull and facilitating factors. Illiteracy, poverty, clashes between communities, natural calamities, political and ethnic unrest have all constantly increased vulnerabilities of marginalised groups, and made them susceptible to gross violations of human rights. At the same time, economic growth, relative prosperity and peace on other side of the border act as ‘pull’ factors. India’s growing economy creates increased demand for imported labour. Young women are particularly in demand because they are regarded as more compliant and less likely to rebel against substandard working conditions. In this context, it is to be noted that much of the earlier migration flows in Asia involved unskilled men looking for work. However, studies indicate a steady feminisation of migration since the 1990s as women seize the economic opportunities that migration offers. This phenomenon has also affected trafficking.⁷⁵



Border Pillar at Agartala.

4.1.5 Trafficking of Women and Children

A large part of the border is flat terrain and has only 20 official checkpoints manned by the BSF along the Indian side of the border.⁷⁶ This small number is often ineffective in maintaining strict vigil, making illegal entry by traffickers very common. A number of illicit ‘migration businesses’ have also developed to facilitate this cross-border movement, which may charge up to INR 50 per person for each trip.⁷⁷ Human trafficking per se involves forced or coerced movements. Sometimes people are kidnapped outright and taken forcibly to another location. In other cases, traffickers use deception – such as false promises of well-paying jobs to entice victims. After providing transportation to get victims to their destinations, they

The complex procedures involved in undertaking legal cross-border trade have also contributed to the growth of illegal trade. The volume of illegal trade is estimated to be double that of legal trade.



charge exorbitant fees for their services, creating debt bondage. A well organised bribery system also assists the informal system that has developed.

Further, traffickers facilitate easy entry of Bangladeshi girls into Kolkata brothels by using fake passports. A close nexus exists between traffickers and border village communities. In the Kushtia area of Bangladesh, some villages are used as stations for the traffickers. The borders in Rajshahi district are used because there are fewer checkpoints there. The border adjacent to Jessore is also very popular with traffickers. Particular hotels are used to keep the girls brought from different parts of Bangladesh. Since traffickers do not usually accompany the women while the latter cross the border, it is difficult for the border police to arrest them. There are female members in trafficking gangs, which helps them hide their identity and escape arrest.⁷⁸ Once the women enter India, they are kept in West Bengal or Orissa. After being 'sorted and graded,' they may be sent to Delhi, Mumbai or even the Middle East.⁷⁹

The issue of women trafficking inevitably arises when discussing border management – therefore is the need for a more holistic look at border concerns. Migration and the consequential presence of 'illegal' immigrants are problems related to resources such as land and money, but they are also equally related to the politics of nationalism, citizenship and the search for a self sufficient identity.

4.2. Steps Taken by India

India's approach to border management stands on four pillars: Guarding the border, regulating the border, developing border areas and cooperating with neighbours.

Guarding the border includes steps like deployment of border guards at every entry point, setting up of border outposts, erecting fences, building roads and increasing surveillance to prevent illegal activities at the border. Regulating the border entails regulating movement of goods and people that takes place through various designated transit points. Every Land Customs Station (LCS) is closely monitored.

India started work on developing the border areas from 1987 onwards. The main focus of this programme has been to improve the critical infrastructure at the border as well as to improve the



Double row fencing – India-Bangladesh border.



economic condition of the people living in remote border areas. The programme covers 360 border blocks of 98 districts of 17 states in India located along the international border.⁸⁰

Realising that no border problem can be resolved without the cooperation of neighbours, India makes a special effort to cooperate with them. It has developed a bilateral institutional mechanism to resolve border issues with its neighbours. The institutional mechanism includes interactions at the levels of the Foreign Minister, Home Minister, and Chief of forces guarding the border, surveyor generals, and the establishment of a Joint Boundary Working Group.



Single row fencing on the India-Bangladesh border.

In accordance with these basic elements of border management, India has taken steps like deploying border guards and increasing surveillance at the border, erecting fences, floodlighting them and upgrading infrastructure such as widening roads and laying railway lines to facilitate connectivity.

India has decided to fence a total of 3,359.59 km on the India-Bangladesh border and work on 2,823.046 km has already been completed (see Table 7). It is, however, important to note that the entire India-Bangladesh border cannot be fenced because the terrain – at places riverine or hilly or marshy – does not permit the construction of fences. Moreover, building fences is not an easy task and is fraught with major hurdles. One of the biggest hurdles is delays in the acquisition of land. In addition, vested political interests, the lackadaisical and uncooperative attitude of state governments, stringent environmental

laws, paucity of funds and unwillingness of the local people living within 150 yards of the border to relocate have all contributed to stalling the process of fencing.⁸¹ Disputed and non-demarcated patches of the border and resistance from Bangladesh further complicate the fencing effort.⁸² Nonetheless, a substantial part of the border has indeed been fenced. (see Table 8)

Furthermore, a pilot project on floodlighting 277 km has been completed in West Bengal. Following its success, India has decided to undertake installation of floodlights in West Bengal, Meghalaya, Assam, Mizoram and Tripura along 2,840 km of the Indo-Bangladesh border (see Table 9).

India-Bangladesh border cannot be fenced because the terrain – at places riverine or hilly or marshy – does not permit the construction of fences. Moreover, building fences is not an easy task and is fraught with major hurdles.



Table 7: Progress of work of fencing in states bordering Bangladesh (Length in km)

Name of state	Sanctioned	Completed
West Bengal	1471.00	1236.15
Assam	229.03	224.23
Meghalaya	462.23	346.66
Tripura	848.00	782.54
Mizoram	349.33	233.54
Total	3359.59	2823.04

Source: Annual Report 2013-14 Ministry of Home Affairs, Government of India⁸³

Table 8: Progress of the work of construction of border roads (Length in km)

Name of state	Sanctioned	Completed
West Bengal	1770.00	1616.15
Assam	288.75	260.06
Meghalaya	531.29	380.33
Tripura	1182.37	992.73
Mizoram	634.70	447.33
Total	4407.11	3697.47

Source: Annual Report 2013-14 Ministry of Home Affairs, Government of India⁸⁴

To address the issue of inadequate infrastructure at the border, India has taken the initiative to establish Integrated Check Posts (ICPs) or Land Customs Stations (LCSs) at major entry points on the land border (ICP and land ports have been discussed in detail under the segment of Non-Tariff Barriers). To provide better services at the border, ICPs or land ports, India set up the Land Port Authority of India (LPAI) in March 2012 under the LPAI Act of 2010. The LPAI has the mandate to establish, develop and manage ICPs.



Table 9: Progress of flood lighting works as on 31.3.14 along the India-Bangladesh border (Length in km)

Name of State	Sanctioned	Completed	Balance
West Bengal	1134.13	809.00	325.13
Assam	208.74	114.40	94.34
Meghalaya	443.00	159.20	283.80
Tripura	718.47	642.26	76.21
Mizoram	335.66	38.20	297.46
Total	2840.00	1763.06	1076.94

Source: Annual Report 2013-14 Ministry of Home Affairs, Government of India⁸⁵

India has planned 13 ICPs along its entire international border (with Pakistan, Nepal, Bangladesh and Myanmar), of which seven are for the India-Bangladesh border. About two or three are functional at the India-Bangladesh border at the moment.⁸⁶ ICPs are expected to provide all the facilities necessary for smooth cross-border movement of people, vehicles and goods under one roof. ICPs facilitate the processes of immigration, customs, security, quarantine, etc. The following are the infrastructural facilities provided at the ICPs: Passenger terminals, internet facility, cargo inspection sheds, quarantine laboratory, banks, isolation bay, cafeteria, currency exchange, cargo process building, warehouse/cold storage, clearing agents, scanners and parking.⁸⁷ The first multi-facility ICP along India-Bangladesh border was inaugurated by Union Home Minister Sushil Kumar Shinde at Akhaura, Bangladesh, on 17 November 2013 in the presence of his Bangladeshi counterpart Mohiuddin Khan Alamgir. The Akhaura LCS is spread over 11 acres with around 4,500 people crossing the border both ways every month.⁸⁸

In this context, a statement by Special Director General of Border Security Force (BSF) Mr. B.D. Sharma is worth mentioning. He stated recently in Agartala⁸⁹ that no border can be properly protected only with guns. Massive development projects are required for socio-economic development of the people living on both sides. The BSF has thus sent a proposal to the Ministry of Home Affairs to set up 60 more *haats* on the eastern border to help people from both sides to trade.⁹⁰ Of the 60 border *haats*, 22 have been proposed to be set up in Meghalaya, 32 in West Bengal, four in Tripura and two in Assam.⁹¹

To address the problem of undocumented migration, India is working on easing of visa restrictions. India is considering providing five-year multiple entry visas to Bangladeshi citizens. During External Affairs Minister Sushma Swaraj's visit to Bangladesh in June 2014, India agreed to give five-year multiple entry visas to Bangladeshi citizens above the age of



65 and below the age of 13. The idea of providing short-term work visas for Bangladeshi people has also been floated, but this has not gathered much support due to objections from various sections within India. Also, India has initiated the multipurpose national identity card to identify foreigners.

Moreover, the Border Development Area Programme has been implemented for overall development of the border areas. These initiatives have helped in addressing some of the issues but they are not sufficient to achieve the desired outcome. It is often pointed out that the political state of affairs in Dhaka affects the nature of its interaction with Delhi. The latter has always been more comfortable with the Awami League in power in Dhaka. Measures to address the issues and challenges of border management have therefore been handled more effectively under Awami League governments than under the Bangladesh Nationalist Party (BNP) government. For instance, after the 2008 general elections which saw the Awami League come to power, there have been significant efforts at neutralising insurgent groups operating within Bangladesh which pose a threat to India.⁹² Concrete measures to effectively manage areas of security cooperation, inadequately taken earlier, were implemented, especially in the last few years, including the establishment of nodal points along the border areas.

4.3. Borderland and Border Management

One of the key issues in the bilateral relationship is management of the 4,066-km-long shared border. Complexities are compounded because Bangladesh is almost entirely surrounded on three sides by India. Brigadier General Md. Shamsur Rahman, Additional Director General, Border Guard Bangladesh, has said that the understanding between the two countries about border related concerns is at its best currently as opposed to what it was a few years ago.⁹³ This improvement in bilateral understanding indicates the willingness on both sides to sort out long-standing concerns.

Regarding the fencing of the border, the most prevalent opinion is that the cross-border movement of people cannot be stopped by fencing alone. On this issue, the view in Bangladesh is that given the shared histories of people, and the traditional free-flowing movements and settlements of people, it is not entirely possible to completely restrict this movement. Dr. Muhammad Yunus, Senior Research Fellow at the Bangladesh Institute of Development Studies believes that nowhere in the world is the border policed to the extent as it is in the case of India and Bangladesh. Policing, he says, will not help in the resolution of bilateral problems.⁹⁴

However, simplified legal measures that would allow cross-border movement can restrict illegal movement. In this respect, it has long been held that the finalisation of the Land Boundary Agreement will help in resolving the issue of enclaves and improve the situation in the border areas.



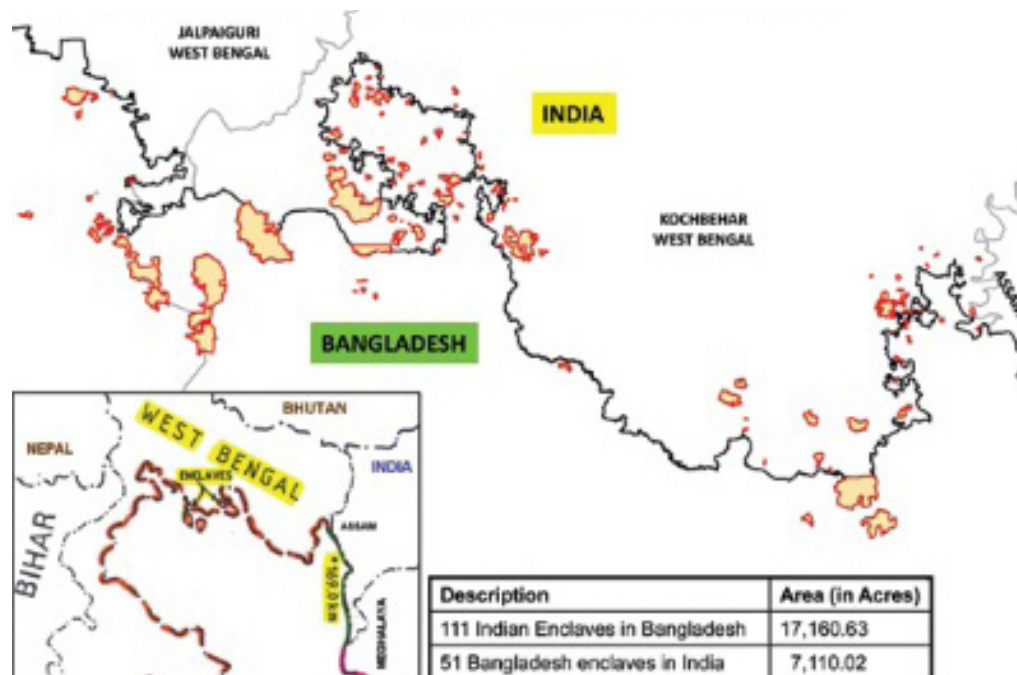
4.3.1 A New Milestone: The India-Bangladesh Land Boundary Agreement

The most important bilateral initiative has been the attempt to resolve the long-standing border dispute that arose after Partition – that of enclaves. There are 111 Indian enclaves inside Bangladesh and 51 Bangladeshi enclaves inside India. There are also enclaves within enclaves. In September 2011, the governments of India and Bangladesh announced their intention to resolve the issue by swapping 162 enclaves, giving residents a choice of nationality. India will receive 51 enclaves with a total area of 7,110 acres, while Bangladesh will get 111 enclaves (out of the 119 Indian enclaves inside Bangladesh proper) covering a total area 17,149 acres (see Map 6).⁹⁵

Bangladesh is to set gain about 10,000 acres, and it will also retain the 4,617 acres of its Dahagram-Angarpota enclave. People living in these enclaves want to be recognised as citizens of the country inside which these enclaves are located. With efforts from the two neighbours, the dispute has come close to resolution after India and Bangladesh signed a Land Boundary Agreement in September 2011.

The Constitution Amendment Bill, 2013, on the exchange of the enclaves had been awaiting ratification by the Indian Parliament. Bangladesh had already ratified it. The Bill, submitted to the Rajya Sabha during the period of Congress-led United Progressive Alliance (UPA) government on 18 December 2013, faced opposition from political parties like the Asom Gana Parishad and the Bharatiya Janata Party (BJP) on the argument of losing territory to Bangladesh. More recently, the Narendra Modi-led BJP government has made a push to

Figure 3: Enclaves along India-Bangladesh International Border (West Bengal Sector)



Source: India-Bangladesh Land Boundary Agreement, Ministry of External Affairs, Government of India, http://www.mea.gov.in/Uploads/PublicationDocs/24529_LBA_MEA_Booklet_final.pdf accessed 10 May 2015.



ratify the deal. An un-demarcated stretch of 6.1 km of boundary between the two countries was demarcated in 2011 after bilateral discussions.

On 7 May 2015 the Indian Parliament unanimously passed a historic bill to operationalise the Land Boundary Agreement, settling the country's 41-year-old border issue with Bangladesh. The passage of the Bill ratifying the 1974 India-Bangladesh Land Boundary Agreement (LBA) is a sign that India's 'neighbourhood-first' policy is beginning to work. The Lok Sabha, showing rare unanimity, has passed the Constitution (119th Amendment) Bill to allow the operationalisation of the 1974 India-Bangladesh Land Boundary agreement. All the 331 members present in the House voted for the bill which became the 100th Constitutional amendment passed by Parliament. Earlier, External Affairs Minister of India Sushma Swaraj said it was beneficial for both the countries and that there would only be a "notional" loss of territory without borders getting contracted. Swaraj also opined that the measure, apart from demarcating the boundaries, would also help in checking illegal immigration. "A solution to the problem of illegal immigration is inherent in this legislation. With the land border now being decided (with the passage of the bill), the portions where there is no fencing will also get fenced," she said.⁹⁶

A package of Rs 3,008 crore has been assured for West Bengal based on estimation that about 35,000 people will need rehabilitation. The package has a component of fixed expenditure of Rs 775 crore, which would be spent on infrastructure building and a variable component of Rs 2,234 crore. As far as Assam is concerned under the LBA, India will be getting 470 acres of land from the neighbouring country, while 268 acres would go to Bangladesh.⁹⁷

The unanimous endorsement of LBA by the Indian Parliament is seen in Bangladesh as a landmark step before Narendra Modi's visit to Bangladesh. It also shows an affirmation of the general attitude of friendliness towards Bangladesh. The experts in Bangladesh argue that it has been an important step to create a positive image for India in the country. It reflects the resolve of India's leadership to be fair towards a country that has demonstrated goodwill for India by taking action against insurgent leaders sheltering within its territory, as it has shown its readiness to partner with India on mutually supportive connectivity and infrastructure initiatives. Bangladeshis are hopeful that some more positive news about other major irritants in bilateral relations, including the Teesta water sharing issue, would come up during Modi's visit in early June. According to a leading daily of the issue, "going by the latest approach of the Indian government towards solving bilateral issues, one may feel tempted to have faith in Indian Foreign Minister Sushma Swaraj's most recent statement that India wants to behave like a 'caring elder' brother, not a 'big' brother towards its neighbours. With this kind of spirit in place, it would not be hard to resolve other problems that have been vitiating relations between the two close neighbours for long".⁹⁸

While the ratification of the LBA is no doubt a welcome development in bilateral relations between the two countries, the implementation of the agreement needs a lot of consideration. Since, according to the agreement, the two countries will be able to exchange enclaves located in each other's territory, it inevitably calls into question the process of rehabilitation of the people who have been residing in these enclaves. The LBA is expected to offer a better quality



of life to the people who, till date, did not enjoy basic human rights including access to schools, hospitals and other basic amenities. These people were stateless, for all intents and purposes. Since India will receive more enclaves from Bangladesh, more people will be entering the country. Therefore, there needs to be a proper and durable rehabilitation policy for these people so that they can be assimilated quickly with as few hassles as possible.

The problems related to the demarcation of the maritime boundary were recently put to rest by the verdict of the United Nations Permanent Court of Arbitration, which awarded Bangladesh 19,467 sq. km of the 25,602 sq. km sea area of the Bay of Bengal, which India gracefully and readily accepted.

New Ideas of Cooperation

Given the complexity and sensitivity of the issues involved, the time is now ripe for exploring the possibilities of cooperative border management.⁹⁹

A framework of cooperative border governance based on inter-governmental arrangements can be considered in this regard. Considering national security perspectives on both sides of the border, joint border management could be framed at the primary level. In order to do so, the importance of the borderland needs to be revisited. At the secondary level, it may be suggested that customs, immigration, banking, insurance, transport and connectivity, transit facilities, regional trade centre planning, movements of commuters and extra-regional trade should be administered by Border Region Governance Bodies (BRGBs).

The BRGBs could be developed through the following steps:¹⁰⁰

Six steps for Cooperative Border Governance

- First, an India-Bangladesh Bi-national Border Zone (BBZ) extending 15 km on either side of the international border may be demarcated .
- Second, treat the BBZ as a Special Socio-economic Zone with developmental planning and execution vested in the Border Zone Authority, comprising an equal number of administrators from the two countries with a chairman who could be appointed alternately from either state.
- Third, institute 12 bi-national, sub-regional zones extending over a 50 sq km area to be developed as ports of entry and connectivity nodes.
- Fourth, develop integrated services for immigration, customs, judicial services, financial (banking, insurance) services, police, border security and transportation in bi-national, sub-regional zones.
- Fifth, operationalise the zonal systems by combined service cadres from both countries
- Finally, finance the expenses of operationalising the zonal systems by both states on the basis of proportional trade and revenue.



The concept of border governance through bi-national border authorities within a marked border region would provide a useful entry point for examining the proposed changes in the new modalities of regulation over the borderlands. These constructive efforts would create a positive perception of the societies in the two countries, cutting across all sections from individual actors and local communities to regional networks and finally national governments. Gradually, these zones on the border would emerge as functional spaces for local, sub-regional, regional and national networks.

Moreover, the population in the border areas on both sides is mostly homogeneous because of socio-cultural and linguistic affinity, except perhaps along about 443 km of the Meghalaya-Bangladesh border. Further, successful border trade is in full swing in the Tamabil-Dawki-Shillong-Guwahati trade corridor, despite linguistic and cultural heterogeneity of the people on either side of the border. It is in this context that the importance of the proposed India-Bangladesh Bi-national Border Zone BBZ should be considered. The exchange/transfer of goods and free movements of people in the BBZ could lead to harmonious and symmetrically inclusive development. Pranab Ray, an eminent geographer has said that the experience of 'border deconstruction' in Europe was not always successful, but the case of India-Bangladesh need not be the same. Possibilities of success are brighter given the linguistic and cultural homogeneity on both sides, although this is tempered to some extent by religious differences. But with a positive approach, these broad networks of governance could herald a better future for the border, and beyond.

Scope of India-Bangladesh Bi-national Border Zones

After having examined a part of the border between Bangladesh and West Bengal of 2,214 km to identify multi-scale border regions between these two political spaces where homogeneity is high, experts like Pranab Ray have identified three layers of border regions along with possible nodes and links for restructuring the Bangladesh-West Bengal border. The nodes may initially be accepted as towns with a population of over 50,000 with a working transport linkage within the borderland zone. The following BBZs may be proposed for early implementation to strengthen connectivity between India and Bangladesh:¹⁰¹

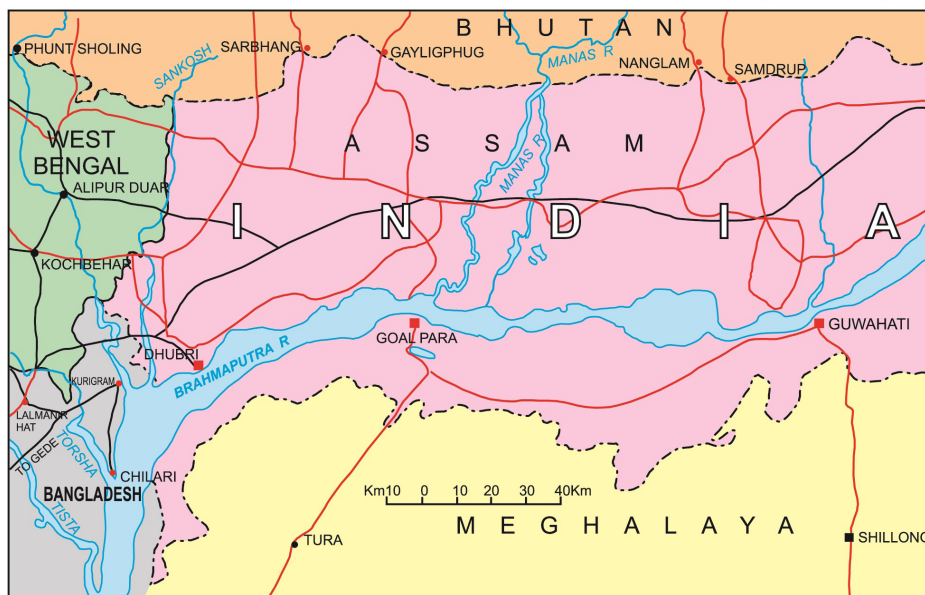
- **The North and Northeastern Border Zone:** This zone would extend from the northwestern junction between Bangladesh and India at Darjeeling district (West Bengal) and move eastwards through the districts of Jalpaiguri and Coochbehar towards the Assam and Meghalaya borders. The suggested Zones are (see Map 10):
 - i. Nilphamari-Chulahati (Jalpaiguri)
 - ii. Panchagram-Chater Hat
 - iii. Lalmanirhat-Sitai
 - iv. Phulbari-Dinhata
 - v. Kurigram-Dhubri
 - vi. Maulong-Tamabil
 - vii. Tura-Tarkanda
 - viii. Sonamura-Piz Bazar



- The Western Border Zone: This zone would be developed along the West Bengal and Bangladesh border from Uttar Dinajpur district in the north towards South 24 Parganas district to the south. The following would be proposed zones (see Map 11 and 12):
 - i. Panchagram-Islampur (Moraghat)
 - ii. Radhikapur-Kaliaganj-Debipur
 - iii. Rajshahi-English Bazar
 - iv. Lalgola-BirBazar
 - v. Gede-Phulgram

Map 10: North and Northeastern Border Zone

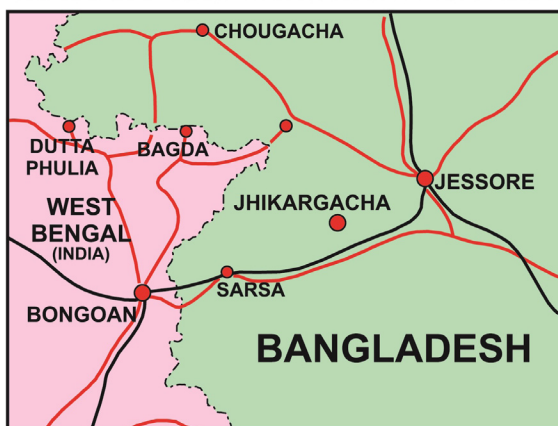
KOLKATA - MONGLA - DHAKA - DHUBRI - SAMDRUP (BHUTAN)



Source: Prepared by Pranab Ray

Map 11: The Western Border Zone (A)

BONGOAN-JESSORE BORDER AUTHORITY ZONE



Source: Prepared by Pranab Ray

Map 12: The Western Border Zone (B)

BASIRHAT-SATKHIRA BORDER AUTHORITY ZONE



Source: Prepared by Pranab Ray



- vi. Chougacha-Jessore
- vii. Bongram-Sarsa
- viii. Taki-Debhata

Issues to be Considered:

- a) Linguistic and other ethnic affinities often invoked between West Bengal and Bangladesh due to their shared past no longer hold as well as in the past. The new generation is globalised and commercially oriented. Market-centred engagement such as trade and investment needs to be considered while addressing cross-border management issues.
- b) It is important to understand people's perceptions – which vary from place to place – while dealing with India-Bangladesh border management. For instance, perceptions of people from India's northeast and those of people from West Bengal differ regarding Bangladesh. Bangladeshi people too feel differently, depending on the Indian community they are considering. Trans-boundary issues therefore need proper handling. Factors playing out in the border regions are not limited to these areas but are of much larger import.¹⁰²
- c) While assessing cross-border migration/undocumented population flow, demand and supply factors should be kept in mind.
- d) Priorities vary for India and Bangladesh. For India, border management is an important issue, but for Bangladesh, it is only one point on the agenda and is not a key priority. In other words, Bangladesh is more relaxed in its attitude to border issues than India is. This can have many implications. A balance is thus required from both sides to arrive at solutions.
- e) India's border force must be clearly told not to treat the frontier with Bangladesh as a hostile one like the border with Pakistan. Bangladesh is a friendly country and that appreciation should be reflected in India's border management.¹⁰³

4.4. Bilateral Trade

About the formalised trade through the border, Bijay Selvaraj, First Secretary, Commerce, Indian High Commission,¹⁰⁴ Dhaka, believes that the issue of land acquisition for the construction of Land Customs Stations and Integrated Check Posts needs to be addressed. Land acquisition for this purpose depends on state governments in India and therefore runs the risk of facing complexities. An important and positive outcome of the



Checkpoint at Srimantapur – Trucks from Bangladesh bringing cement for the Srimantapur LCS on the Indian side.



establishment of land ports has been an increase in the number of people using them instead of crossing illegally. This is why the establishment of more LCSs and ICPs such as Petrapole-Benapole and Akhaura-Agartala would facilitate cross-border trade to a great extent and also in turn act as a check on undocumented movement of both people and goods. Inland container terminals (ICTs) could also be considered for facilitating trade. Feasibility studies on trade being containerised are being undertaken by India.



Construction underway at Land Customs Station, Srimantapur, Tripura, India.

The latest report by the Ministry of Commerce and Industry, Government of India, shows that trade between India and Bangladesh has steadily increased over the last five years, although the balance of trade remains significantly tilted towards India.

Table 10: Trends in India’s Trade with Bangladesh (Value in US \$ million)

Year	Exports	Imports	Total Trade	Balance of Trade
2009-10	2,433.77	254.66	2,688.44	2,179.11
2010-11	3,242.90	446.75	3,689.66	2,796.15
2011-12	3,789.20	585.73	4,374.93	3,203.47
2012-13	5,144.99	639.33	5,784.31	4,505.66
2013-14	6,166.93	484.34	6,651.27	5,682.59

Source: Report of Press Information Bureau, Government of India, Ministry of Commerce & Industry on Trade between India and Bangladesh, 17 December 2014.

Bangladesh became India’s largest trading partner in the South Asian region in 2013, replacing Sri Lanka.¹⁰⁵ It is estimated that bilateral trade between the two countries could double in the next few years to around \$10 billion.¹⁰⁶ But while bilateral trade has been on the rise, a number of contentions need to be ironed out. Increase in trade depends



on factors like the easing of non-tariff barriers and other facilities as discussed below. The major factor that adds to the imbalance in trade is unrecorded trade between the two countries. Another reason for the trade surplus is the decline in exports from Bangladesh. This can be addressed by an increase in Indian investment in Bangladesh, which stood at USD 2.5 billion in 2013.

A 2014 CII report pointed out that investment can be improved by developing “single window clearance for new business proposals; repatriation of profits; setting up an Industrial Park for India in Bangladesh outside Export Processing Zone (EPZ) with all the needed infrastructure facilities”, among others.¹⁰⁷ Sectors in which Indian companies could invest include agro processing, textiles, organic chemicals, electrical machinery, automobiles, pharmaceuticals and healthcare equipment, along with hospitals, tourism and other services sector industries. Given that Bangladesh is a growing economy with a large market, there is significant potential for improving the investment climate.

Improvement of bilateral trade will also benefit the region as a whole, as goods from landlocked countries like Nepal and Bhutan also pass through Bangladesh, which would help in increasing economic integration among the SAARC countries.

4.4.1 Non-Tariff Barriers

Free movement of trade is one of the key elements of economic cooperation. Given that India is one of the biggest trading partners of Bangladesh, it is more important for the latter to urge the removal of barriers to trade, both tariff and non-tariff. Tariff barriers enforce restrictions on the free flow of trade and in response to Bangladeshi demands, India has now allowed duty-free access to most Bangladeshi products with the exception of liquor and tobacco. As for non-tariff barriers (NTBs), these are also a major concern for Bangladesh. The country has long demanded the easing and gradual removal of NTBs in its trade with India.

There are broadly three categories of NTBs. The first covers prohibitions, export subsidies and barriers for the exporting side. The second includes import licensing, customs procedures and other restrictions on the importing side. The final category consists of environmental standards, laboratory testing of consumables such as food products and cosmetics, requirements for proper packaging and infrastructural facilities like warehousing, and so on.¹⁰⁸ There are a number of difficulties posed by these NTBs due to lack of infrastructural services, storage facilities and delays in quality testing, and various laws which regulate prohibitions, customs requirements and so on.¹⁰⁹ These barriers are an impediment for the growth of exports. At the same time, certain procedures such as quality testing of consumables are necessary to ensure safe consumption.

Against this backdrop, it is worth focusing on border *haats* and Land Customs Stations.



Table 11: Summary of Results on Potential Savings from NTB Reforms for Bangladesh and India (Trade Volumes for 2010-11)

Bangladesh						
Partner Country	Rate of Non-Tariff Trade Cost	Import Value in Bangladesh (US\$mm)	Domestic Value in Partner Country (US\$mm)	Revised Import Value in Bangladesh using Ideal Non-Tariff Rate (US\$mm)	Potential Savings from NTB Reforms (US\$mm)	Potential Saving as % of Import Value
India	82.28	3,405.52	1,868.28	2,575.79	829.72	24.36
India						
Partner Country	Rate of Non-Tariff Trade Cost	Import Value in Bangladesh (US\$mm)	Domestic Value in Partner Country (US\$mm)	Revised Import Value in India using Ideal Non-Tariff Rate (US\$mm)	Potential Savings from NTB Reforms (US\$mm)	Potential Saving as % of Import Value
Bangladesh	82.28	579.13	317.71	438.03	141.10	24.36

Source: *Reforming Non-tariff Barriers: Case for a Participatory Approach in South Asia*, CUTS, 2013

4.4.2 Border haats

A border *haat* is a makeshift market located on the zero line of the border between India and Bangladesh, which allows people from both countries to buy each other's products on a fixed day each week. These markets allow people in remote villages along the border to not only purchase basic requirements but also engage in economic pursuits that would help in improving their livelihood. The first border *haat* was the Baliamari-Kalaichar *haat*, which opened on 23 July 2011 in Meghalaya. This was followed by the Dolora-Balat *haat* in Sunamganj, Meghalaya in 2012. The border trade between the two countries, however, has a longer history, dating back to 1972, although it has been a tumultuous exercise given the extensive smuggling that began soon thereafter. The Memorandum of Understanding¹¹⁰ between both governments on establishing border *haats*, signed in 2011, provides a detailed framework for the operation of border *haats*. Thirteen locally grown agricultural and manufactured finished products for trading at these *haats* have been identified.¹¹¹

With the aim of formalising illicit trade through the border areas, and to offer an economic opportunity to people living in remote areas along the border between India and Bangladesh, the decision to establish border *haats* was formalised. The states of Meghalaya and Tripura have been the most vocal about the importance of setting up these *haats* along its shared



border with Bangladesh. On the other hand, there has been no such response from West Bengal.

A long time has elapsed since the proposals for border *haats* were raised and hence the speed of setting up the proposed *haats* needs to be looked into.¹¹² It is important to increase the number of border *haats* because they serve the key purpose of helping to bring into its fold informal trade.¹¹³

The Director General for South Asia, Ministry of Foreign Affairs, Bangladesh Mr. Tareq Md. Ariful Islam added that border *haats* are also important because they play

a social role by engaging people living in remote areas.¹¹⁴ It is for this reason that the selection of sites for these *haats* is very important. Along with location, supporting infrastructure like security and banking facilities are also required. Viability of these infrastructural supplements needs to be kept in mind while selecting sites for the *haats*. The fact that infrastructural improvement is necessary at border *haats* has also been voiced by several experts in Bangladesh.

Border trade through these *haats* has another important concern besides infrastructural support. The necessary evil of regulatory mechanisms like NTBs poses a tedious prospect for local people who are not accustomed to rules and norms of official trade. The NTBs, which often curtail the extent of trade otherwise possible through illegal trade, often acts as a deterrent for people. It is therefore believed that while the NTBs may not be completely done away with, measures to ease regulations and make them simpler would encourage increased involvement in border trade through *haats*.

The objective behind setting up of these markets is to enhance bilateral ties and also promote the well-being of people in border areas. However, there are several regulations that control and monitor the functioning of these *haats*. While these regulations are necessary to check both illegal movement and illegal trade, they also limit the extent of trade and engagement possible. The main aspects that hamper the proper functioning of these *haats* and thus reduce their benefits are as follows:

- i) An important concern of traders and consumers is the limited number of items that are permitted to be traded. The border *haat* rules state that only goods produced locally in the areas of the border *haats* can be traded. But people on the Indian side often complain that officers of the BSF or customs officials prevent them from purchasing permitted items from Bangladeshi sellers. In addition, Indian buyers are at times barred from purchasing



Kamasagar Border haat construction underway.



Bangladeshi goods, which undermines the interest and incentive for Bangladeshi traders. These norms could be eased to a certain degree while keeping vital regulations such as the prohibition of third country goods intact.

- ii) When border *haats* were initially set up, trade amounting to \$50 per day was allowed per trader, which was later increased to \$100. Increasing the volume of trade would also allow more economic engagement.
- iii) Infrastructural requirements for the border *haats* are not sufficient. On the Bangladeshi side, for instance, bailey bridges are needed by traders to reach the markets, which have not been set up by the government. During monsoon months, people often have to use boats to reach the marketplace, which acts as a discouragement. There have also been demands to raise the land on which such *haats* are located. Lack of physical infrastructure is a key reason which curtails the smooth functioning of border *haats*.¹¹⁵
- iv) Passes were initially allotted to a limited number of traders at these *haats*, who continue to monopolise them. For instance, 25 people were issued passes at the Baliamari-Kalaichar and Dolora-Balat *haats* and despite there being a provision for these passes to be rotated among other traders, it has not happened. This discourages traders who may never get the opportunity to trade at these *haats*.

The most crucial fallout of these challenges is that they allow informal trade to continue unabated.

4.4.3 Land Customs Stations

Land Customs Stations or land ports have been set up by both India and Bangladesh to assist cross-border trade. These land ports provide infrastructure for handling cargo, storage facilities and collection of revenue. Land ports, at certain important points of entry along the border,



ICP at Agartala.

have also been upgraded to Integrated Check Posts (ICPs) to accommodate the increasing demand from traders on both sides of the border. The ICPs are mandated to contain regulatory agencies such as Customs, border security, immigration, warehousing, banking facilities and fuel stations. Major ICPs include Petrapole-Benapole, Agartala-Akhura, and Dawki-Tamabil. These land ports serve as points of contact for travellers and traders entering and leaving each country and are required for tackling



challenges such as lack of infrastructure, storage and banking facilities that exist along the India-Bangladesh border.

Mechanisms that will bring increased benefits from LCSs and ICPs are being worked out by both governments. However, there needs to be a more comprehensive and speedy response system between the two nations. One of the major complaints made by traders is regarding the time taken for checking and assessing cargo being transported from one country to the other. Most of the complaints are directed at the ports located on the Indian side of the border, which means that a lot of time is taken for processing details. There are also restrictions on the export of electronic goods and motor bikes from Bangladesh to India, which the latter wants lifted. The need for quality certification by Indian ports also restricts the entry of goods into the country that has already been certified by Bangladesh. Sudden bans on certain essential commodities imposed by India constitute another issue that needs to be dealt with.

India, on its part, has requested that 225 items be removed from Bangladesh's 'sensitive' list under the South Asian Free Trade Agreement (SAFTA) to facilitate trade.¹¹⁶ Till date Bangladesh has removed 21 items and has notified that consultations on the status of other items are underway. Importers and exporters also face problems of banking and misused letters of credit, which need resolution. The Indian companies face difficulties in sending remittances back.

These concerns, along with those of enhancing the physical connectivity of land ports with the hinterland, require careful yet prompt handling. Both countries can agree to a dialogue on the specific products that face restrictions or delays due to NTBs and devise measures that would gradually ease these restrictions and increase the volume of trade. Infrastructural facilities such as weighbridges at entry points along the border can be improved to curtail unnecessary delays, customs procedures can be streamlined, awareness of the regulations among traders can be increased and storage facilities expanded. Banking arrangements at LCSs are also a necessary requirement – most bank branches existing at land posts are not adequately equipped to handle cross-border trade. These measures will help in handling NTB-related concerns in a more effective and efficient manner, while at the same time making way for increased bilateral trade.

Infrastructural improvements along the border including more border posts would facilitate the regulation of cross-border movement of people, as pointed out by Farooq Sobhan, President, Bangladesh Enterprise Institute.¹¹⁷

4.5. The Way Forward

4.5.1 Short-term Work Permits: A Logical Way Out?

The above discussion has made it clear that almost all outstanding issues between India and Bangladesh are related to disputes along the common border. A solution for the



successful negotiation of the immigration problem, which is also linked to the larger issue of enhanced sub-regional communication and trade, will be to examine the possibility of providing temporary work permits to applicants not only for the organised but also for the unorganised sector on both sides of the border, keeping the demand and supply of cheap labour in mind.

A scheme could be developed to allow migrants to enter legally into the region on the basis of work permits issued by a Central Work Permit Authority in association with the Home Ministry as well as the Ministry for Law and Company Affairs, with the help of the relevant state government and approval by Parliament. State officials and village-level administrators could be involved in managing the system, as they will carry out checks and balances. To discourage illegal migration and promote healthy economic cooperation, permits could be issued to small groups (not more than 20 or so) rather than to individuals, initially for one year, in areas such as agricultural operations at harvest time; construction; boatbuilding; fishing and allied activities. Such work permits can be issued at the border check-posts specifically set up for this purpose. Before issuing permits, identity proofs of applicants along with their documents from employers on the other side of the border should be verified by the concerned authority. It is to be ensured that the permit holders will have no voting or political rights, but will have access to courts of the host country if their civil rights are injured in any way, and that they would be permitted to receive payment for services at the same level as local workers as well as remit their savings to their home country.¹¹⁸

The potential of going beyond the territorial foundation of politics and rigid state boundaries to develop the border should be kept in mind. The suggestion of free movement of people does not mean making the border more porous. The idea is to allow work and commerce related movement of workers, traders, academics, businessmen, patients, as well as easy movement for religious and cultural purposes.

5

Concluding Remarks and Recommendations



Having discussed different aspects of improving connectivity between India and Bangladesh, we intend conclude by proposing specific recommendations in this section.

5.1 Recommendations to Enhance Connectivity through Road and Rail Links

- Utilise Chittagong, Kolkata, Haldia and Kulpi ports for enabling the exchange of both trade and passenger movement.
- Encourage large-scale transportation of goods through Bangladesh to the northeastern region.



- Develop Gauge compatibility between India and Bangladesh Railways.
- Explore a new project connecting the capital cities of the northeastern states of India and West Bengal with Dhaka and Chittagong through broad gauge railway networks.
- Modernise ports and make improvements in connecting the ports by road or railways.
- Enhance the frequency of Kolkata-Dhaka roadways and extend it to Agartala and beyond.

5.2 Recommendations to Enhance Connectivity through Waterways

- Both India and Bangladesh need to understand their own specific challenges (as discussed in the appropriate section) related to the protocol route.
- Both countries should then examine and decide on mechanisms that would help benefit and complement each other's strengths and existing gaps.
- The validity of duration of the protocol routes needs to be increased (preferably for five years) requiring less frequent renewals to facilitate continuity of functioning (this has been done very recently).
- India can offer technological knowhow related to the upkeep of river systems in Bangladesh and offer technical and financial assistance for dredging.

5.3 Recommendations for Energy Sector

- Conceptualise a plan for transmission of surplus power from India's Northeastern region to Bangladesh and through Bangladesh to other parts of India. The borders of Nepal, Bhutan and Bangladesh converge near Siliguri in the state of West Bengal in India. Inter-connections can be planned between Siliguri (India) and Anarmani (Nepal) and Thakurgaon (Bangladesh) to enhance cross-border electricity trade.
- India can provide leadership to form a cross-border sub-regional power grid considering contiguous economic zones of Bangladesh, Bhutan, Nepal and India's northeast (BBNI).
- India should provide opportunities to Bangladesh for refining crude in its refineries.

5.4 In addition to the specific suggestions given in this section covering India-Bangladesh connectivity through rail, road, waterways and energy, few other general recommendations are mentioned below.

Short-term Recommendations:

- The potential for developing the border into trans-national form of cross-border governance may be kept in mind without in any way affecting the territorial foundation of states and existing state boundaries.



- **For simplified cross-border movement to enhance people-to-people interaction** – a) easing of Visa restrictions; b) easing cross-border vehicle movement.
- **Transforming borders into space for opportunities** – a) the suggestion of a free movement of people is not to suggest making the border more porous but to allow cross-border job and commerce related movement of workers, traders, academics, businessmen, patients and groups of people having connection to cultural and religious traditions in the other country; b) coordination among border guards on either side of the border; c) short-term work permit on experimental basis; d) for countering militants and internal insurgents, both countries need to set up a joint intelligence cell and also need to coordinate counter-terrorist operations.
- **Ratification of the Coastal Shipping Agreement**, which was approved by the Bangladesh Cabinet, at the earliest to reduce cost and duration of trade.
- A durable **rehabilitation policy** for the implementation of the Land Boundary Agreement is essential for its smooth and humane operation.
- There should be equal emphasis on physical and institutional connectivity to realise trade potentiality to the fullest extent.
- **Initiation/strengthening of tourism schemes/packages to foster people-to-people contact** – a) Protocol routes may be used for passenger traffic by enhancing navigability; b) package tour on inter-country river cruise may be introduced; c) development of widely publicised eco-tourism of Sundarbans on both sides can be organised in an integrated manner. Information on tourism opportunities should be more frequently exchanged between these two countries.
- **Importance of dialogue** with all the probable stakeholders at different levels to engage them into the process. To address local issues the best way is to arrange frequent meetings of district level officials along with the officials from border guarding authorities on both sides of the border.
- **Cultural interaction across the border** may foster the pace of building physical connectivity. Music and sports, especially football and cricket, have a huge appeal in India and Bangladesh. District level teams from both sides should be encouraged to play on both sides of the border. Exchange of academics, researchers and students across the borders should also be undertaken and pursued more vigorously.
- It is important to have more **sincere commitments** towards cooperation (like the LBA) on a win-win basis by India.
- **Quick and transparent decision-making** by India is needed to consolidate the sub-region BBNI (Bangladesh, Bhutan, Nepal, India).

Long-term Recommendations:

- **The emerging possibilities of borderlands** as cross-border political and economic spaces between India and Bangladesh should demand attention in both countries.
- **The quantitative acceleration of border haats** is needed for the minimisation of the impact of NTBs. Diversification of products at these haats is necessary to complement trade.
- **Special haats for cattle trade** – To address the problems around cattle smuggling, the two countries can think of a few border *haats* specifically for legitimised cattle trade.



- **It is important to translate similarities across the border into synergies.** India should act as “caring elder” and not “big brother”¹¹⁹ in this context. The concept of connectivity has a multidimensional connotation. It is important to have a good synergy between planning and execution.
- The strategic location of Bangladesh should be utilised by taking up projects which are mutually beneficial and which strengthen inter dependence involving private sectors. These projects may include joint **cooperation in a India-Bangladesh Transport Cooperation**, a joint Tourism Development Corporation. **Treating the contiguous areas comprising Bangladesh and India’s Northeast and West Bengal as a subset zone** to be geared towards harnessing and utilising natural resources and positive potentials of this geographical space to the benefit of the common people within this region. This can be thought of independently of the SAARC mechanism.
- More initiatives are to be taken for **confidence-building measures** to generate positive perceptions towards each other.



Endnotes

- 1 Annual Report 2013-14, Ministry of Home Affairs, Government of India.
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INDIA'S TIES WITH BANGLADESH COMPRISE VARIOUS DIMENSIONS: CIVILISATIONAL, CULTURAL, RELIGIOUS, SOCIAL AND ECONOMIC. THE CLOSE GEOGRAPHICAL LOCATIONS OF THESE TWO NEIGHBOURS PRESENT AN OPPORTUNITY FOR BOTH NATIONS TO FURTHER DEVELOP THEIR CONNECTIVITIES AND, IN TURN, CREATE A SIGNIFICANT IMPACT ON THEIR RESPECTIVE ECONOMIES.

THIS STUDY IS A PICTURE OF THE EXISTING STATE OF CONNECTIVITY BETWEEN INDIA AND BANGLADESH. IT MAKES AN ASSESSMENT OF WHAT HAS BEEN PROMISED AND WHAT HAS SO FAR BEEN DELIVERED, AND PROVIDES POLICY DIRECTIONS FOR A DENSE AND MORE PRODUCTIVE NETWORK OF CONNECTIVITY BETWEEN THESE TWO HISTORICALLY AND CULTURALLY CLOSE NEIGHBOURS. THE STUDY EXPLORES PHYSICAL CONNECTIVITIES OVER LAND AND WATERWAYS ACROSS THE BORDER. IT EXAMINES THE SCOPE FOR ENHANCING LEGAL, CROSS-BORDER TRADE, ALONG WITH POSSIBILITIES FOR FURTHERING COLLABORATION IN THE ENERGY SECTOR TO HELP THESE STATES TO MEET THE RISING DEMANDS OF THEIR RESPECTIVE TERRITORIES.

INDEED, ROAD NETWORKS AND RAILWAYS CONSTITUTE AN INTEGRAL PART OF COMMUNICATION AS IT ENABLES THE SMOOTH OPERATION OF TRADE AND COMMERCE. UPGRADING EXISTING RAIL AND ROAD LINKS—AND ESTABLISHING NEW ONES—WOULD FACILITATE INTERCONNECTION. THE IMPORTANCE OF LAND CONNECTIVITY CAN BE BEST REALISED WHEN THESE LINKS ARE EXTENDED TO THE NEAREST PORTS. INLAND WATERWAYS HOLD A LOT OF POTENTIAL FOR ACHIEVING MULTI-MODAL CONNECTIVITY. WITH THE VIEW IN MIND THAT DEMAND FOR ENERGY IN BOTH COUNTRIES IS HIGH, INDIA CAN PROVIDE ABLE LEADERSHIP IN THE FORMATION OF A CROSS-BORDER, SUB-REGIONAL POWER GRID, WHICH COULD BE BENEFICIAL FOR THE LARGER NEIGHBOURHOOD AS WELL. FINALLY, ENGAGING WITH ALL THE EXISTING AND PROBABLE STAKEHOLDERS AT DIFFERENT LEVELS NEEDS TO BE CONSIDERED BY INDIA AND BANGLADESH, AS IT WOULD ENHANCE AND STREAMLINE NOT ONLY THEIR BILATERAL TRADE BUT, EQUALLY IMPORTANT, PEOPLE-TO-PEOPLE INTERACTIONS AS WELL.
