

Regional Connectivity: Current Challenges for Bangladesh

Muinul Islam
Professor
Department of Economics
University of Chittagong, Chittagong
E-mail: dr.muinul@yahoo.com



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REGIONAL CONNECTIVITY: CURRENT CHALLENGES FOR BANGLADESH

MUINUL ISLAM*

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*The author, Dr Muinul Islam, is a professor in the Department of Economics, University of Chittagong, Chittagong, Bangladesh.

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-MUINUL ISLAM

SECTION A: INTRODUCTION

Global and regional connectivity are the new ‘buzzwords’ of the current third wave of globalization gaining momentum since the decade of the eighties of the twentieth century. The new disguise of the world capitalist system (WCS) termed as the ‘open market economy’ started to take the shape of the world’s latest ideological paradigm of neo-liberalism from late seventies of the twentieth century with the advent of ‘Thatcherism’ in Britain since 1977, but the paradigm became the ‘dominant ideology’ since 1981 when ‘Reaganomics’ took over the US economic and political policy regimes after the assumption of office of President Ronald Reagan in the USA. As an overwhelmingly aid-dependent least developed country (LDC) at that stage, Bangladesh had to abide by the neo-liberal prescriptions of the Bretton Woods Institutions (BWIs) like the IMF and the World Bank and the other donor countries and organisations, who were zealously propagating and implementing the so-called structural adjustment program (SAP) formulated in accordance with the ‘Washington Consensus’ of 1979—a tripartite understanding reached among the US Treasury Department, the IMF and the World Bank.¹

Since the decade of the eighties, Bangladesh’s ready made garments (RMG) industries could grow quite rapidly because of the opportunities opened up by the Multi Fiber Arrangement (MFA) and the Generalised System of Preferences (GSP), the two quota systems introduced by the USA, the European Union, Canada and Japan with the declared aim of limiting RMG imports to those countries from the major exporting countries like China, India, Pakistan, Thailand, Indonesia and Egypt. As Bangladesh was categorised as a least developed country since 1975 by the United Nations Economic and Social Council (UNECOSOC), Bangladesh’s garments were allowed preferential access to markets of these importing countries. Thus, the successful journey of the RMG industry of Bangladesh during the subsequent three decades and a half owed its phenomenal growth primarily to these two quota systems, and not to the liberalisation and globalization processes of the open market economy façade of the world capitalist system per se, as commonly believed. But, MFA was phased out in 2004, and the GSP has also become unimportant because of the trade liberalisation processes of the European Union enshrined in its ‘All but Arms’ (ABA) programme. It is quite commendable that the growth momentum of Bangladesh’s RMG industries was not lost

after the phasing-out of MFA in spite of bleak forecasts made by western ‘pundits’. Rather, Bangladesh has now become the second largest exporter of RMG items after China, and the export earnings of Bangladesh from RMG export have crossed \$27 billion in 2014-15. Some other export sectors are also gaining in strength, which have pushed the total export earnings of Bangladesh to more than \$32 billion in 2014-15 from a low of only \$820 million in 1981-82. Simultaneously, the flow of overseas migrants from Bangladesh gained momentum in these 35 years, and the resulting remittance inflow into Bangladesh through formal channels has crossed \$15.3 billion in 2014-15. These two dimensions of Bangladesh’s economic dynamism have been instrumental in creating an image of Bangladesh as a success story of the process of globalization. I firmly believe that regionalism, regionalisation and regional cooperation also hold a bright prospect for Bangladesh, and regional connectivity in the eastern South Asia sub-region is a promising aspect of regional cooperation in which Bangladesh has been making big strides since 2010. In this paper, I propose to analyse this theme in some depth.

During the visit of Bangladesh’s Prime Minister Sheikh Hasina to India in January 2010, a historic joint communiqué was signed between Bangladesh and India, which opened a new chapter of regional connectivity in the eastern South Asia sub-region including Bangladesh, Bhutan, north-eastern India and Nepal. In the last six years following that historic event, various steps have been undertaken to implement the various decisions declared in that joint communiqué, and it has to be admitted that some significant ground works have been laid for actually starting the transit/transshipment of goods among the countries in the near future. At the present stage, preparations are underway to let the neighbouring countries use the two sea ports of Bangladesh, Chittagong and Mongla, through the roads and highways, the railway system and the inland waterways of Bangladesh.

India has been provided transit through the inland waterways of Bangladesh quite a long time ago, and Indian cargo vessels regularly use that facility under the existing transit treaty for inland water navigation. Steps are also being taken for starting cross-border transit of goods as well as passengers through the BBIN (meaning Bangladesh, Bhutan, India and Nepal) framework for cross-border movement of vehicles of these four neighbouring countries. But, the other dimension of providing transit or transshipment facilities to India for establishing connectivity between the north-eastern states of India and the rest of India by using the roads/highways and railway networks of Bangladesh seems to be hanging in limbo because of various technical and diplomatic delays. Especially, after the diplomatic debacle faced and the fiasco created during the visit of the Indian Prime Minister Dr Manmohan Singh on 6-7 September 2011 revolving around the issue of the last minute refusal of India to sign the water sharing treaty of the Teesta river with Bangladesh on the plea that the chief minister of the Pascimbanga (West Bengal) state of India had disagreed with the terms and conditions of the finalised draft of

the proposed treaty at the last moment, the formal signing of the letter of agreement for providing transit to India by Bangladesh was postponed for the time being. (However, it should be noted that a temporary phase of transit facility given to India by Bangladesh for the Palatana power plant of Tripura state was duly completed. In that arrangement, cargo shipments from the Paschimbanga (former West Bengal) state of India were unloaded at Ashuganj river port of Brahmanbaria district of Bangladesh, and then transported by road to Agartala through the Akhaura land port of Bangladesh. Most of the items of the cargo were categorised as over dimensional cargo (ODC), which included machinery and heavy equipment needed for the power plant. As the Ashuganj-Akhaura road was not built to transport such ODCs and/or heavy loads, special arrangements had to be made and temporary road construction had to be undertaken, which included building temporary earthen dams and diversions on a few rivers and canals. The resulting inconvenience and adverse impacts in the areas created quite a hue and cry in Bangladesh.) The latest visit of Indian Prime Minister Narendra Modi to Bangladesh in June 2015 may have restored the momentum of the process of implementation regarding transit/transshipment, but the Teesta water sharing issue still remains unresolved, casting a shadow over the issue. As understood from the recent newspaper reports, the two countries are involved in negotiations for determining a) the different fee structures for different types of transit/transshipment and b) the different routes of such transit-transshipment arrangements in phases.

The present paper is designed as an endeavour aimed at:

- i) Examining the merit of the issue of providing transit to India, Nepal and Bhutan through railway networks, roads and highways and inland waterways of Bangladesh from the point of view of existing status of the infrastructure and the need of necessary improvements of the infrastructure;
- ii) Examining the issue of opening up the sea ports of Bangladesh for regional use and strengthening the case for speedy implementation of the proposed steps needed for successfully opening up the existing sea ports of Bangladesh along with the future prospect of opening up the entire sea coast of Bangladesh for countries of the region; and
- iii) Developing the proper infrastructure suitable for handling the vastly increased volume of traffic through the roads/highways, railway and inland water communication networks of Bangladesh when the transit/transshipment agreements come into force; and
- iv) Identifying the current challenges facing Bangladesh regarding the transit/transshipment issue in particular, and regional connectivity issue in general.

CHITTAGONG AS A REGIONAL PORT: A LOOK AT HISTORY

Chittagong is the lone natural harbour of the eastern sub-region of South Asia, which includes Bangladesh, Nepal, Bhutan and the seven north-eastern states of India popularly known as 'seven sisters', i.e. Assam, Meghalaya, Arunachal Pradesh, Manipur, Nagaland, Tripura and Mizoram. Eastern South Asia sub-region and the neighbouring regions of China, Myanmar and Thailand can be legitimately termed as the geographical and economic hinterland of the sea port of Chittagong and the entire sea coast of Bangladesh. Though Kolkata (formerly known as Calcutta) was established by the British East India Company in 1689 as their trading post and port, it shot into prominence after the Plassy War of 1757 and the subsequent establishment of Calcutta as the capital of the British East India Company's Indian colonial empire. Chittagong, the several thousand year old sea port of eastern South Asia, was relegated to an unimportant status all through the period of rule of the East India Company in India up to 1858. The need for upgrading and modernisation of the sea port of Chittagong was felt in the last quarter of the nineteenth century when tea export from the tea gardens of colonial eastern India gained in importance, and the Assam Bengal Railway network was constructed to link up the tea growing areas of eastern India with the sea port of Chittagong. Thereafter, during the British colonial rule of India up to 1947, Chittagong played the role of a secondary sea port of the eastern part of the British Indian Empire. In the 24 years of Pakistan era, Chittagong played the role of the main sea port of the eastern wing of Pakistan. But, the economic deprivations faced by the eastern wing and the political tug-of-war within the ruling quarters of Pakistan deprived Chittagong of its legitimate claim of developmental priority and due share of financial allocations for expansion and modernisation all through those 24 years. After the emergence of independent Bangladesh in 1971, Chittagong became the premier sea port of Bangladesh, but the issue of regionalisation of Chittagong port for the benefit of all the countries of the region having potential economic hinterland of the port within their political borders could not be pursued with requisite political will of the stakeholders involved because of the less than friendly relationship and/or lack of mutual trust and lack of a spirit of mutual accommodation among the main neighbours in the region after the bloody political changes of 1975, which brought governments in power in Bangladesh deemed to be less than friendly towards its big neighbour India. In spite of the establishment of the South Asian Association for Regional Cooperation (SAARC) in 1985, the actual progress in fostering regional economic cooperation among the South Asian countries remains quite insignificant because of a lack of mutual trust among these neighbouring countries, especially between India and Pakistan. However, the issue has got a big boost from the joint communiqué signed in January 2010 after the visit of the Bangladesh's prime minister to India.

The visit of the Indian Prime Minister Dr Manmohan Singh to Bangladesh on 6-7 September 2011 has added significant impetus to the issue of regional cooperation in Eastern South Asia in spite of the setback faced on the issue of water sharing, and the issue of infrastructure has been highlighted during that visit as a major constraint in the way of actually implementing the road and railway transit arrangement in the near future.

ORGANISATION OF THE PAPER

The present paper has got five sections including this introductory section. In Section B, we present the problems and prospects of developing a vibrant network of regional connectivity in the eastern South Asia sub-region in the present context. This section is titled as 'The Case for Integrating the Infrastructure Networks and Transport Links of Eastern South Asia Sub-region'. In this section, we also highlight the problems relating to infrastructure development that have to be tackled on an urgent basis now that Bangladesh has decided to provide transit or transshipment facilities to India, Nepal and Bhutan. In Section C, we present the case for widening the scope of regional connectivity to include Myanmar, Thailand and China along with the 'seven sisters' of India, Nepal and Bhutan. This section is titled as 'The Case for Regionalising the Connectivity Issue in Eastern South Asia'. In this section, we also discuss the prospects as well as the problems of regionalising Chittagong and Mongla sea ports and the third sea port being developed at Paira of the district of Patuakhali and the proposed deep sea port of Sonadia, which seems to have hit a serious snag because of the geo-political rivalry between China and India. The prospect of future use of the entire coastline of Bangladesh for the whole region will also be highlighted in this section. In Section D, we highlight Bangladesh's current challenges regarding regional connectivity in the eastern South Asia sub-region. In Section E, the concluding section, we present some recommendations for developing appropriate road, railway and inland water communication networks in Bangladesh for such an extended scale of regional connectivity.

SECTION B: THE CASE FOR INTEGRATING THE INFRASTRUCTURE NETWORKS OF EASTERN SOUTH ASIA

1. Bangladesh, Bhutan and Nepal do not share a common border with each other; they can only have land access to each other through India. Nepal and Bhutan are land-locked countries, which must seek Indian cooperation for approaching the sea port of Kolkata. (Their interest to use Bangladesh's two sea ports of Mongla and Chittagong in addition to India's ports is a long-standing issue in the SAARC discussions.) The geographical features noted above make the case of integrating the infrastructure networks of Eastern South Asia more a bilateral issue for Bangladesh, Bhutan and Nepal in essence rather than a multilateral one, with India holding the key to successful negotiations for any multilateral agreement on this issue.

2. On the other hand, the geographical location of Bangladesh has been acting as one of the most serious physical hindrances in the way of economic development of the seven eastern states of India known as ‘the seven sisters’. With the disruption of transport linkages through the then East Pakistan (now Bangladesh) after the 1965 Indo-Pakistan War, these Indian states have to use a circuitous and mountainous route to reach the sea port of Kolkata. In Table 1, we present the distances of the six of the seven state capitals of the ‘seven sisters’ from Kolkata if Bangladesh territory cannot be used. The distances of those six capitals from Dhaka and Chittagong through Bangladesh are presented in the same table to highlight the importance of transit/transshipment. For example, the distance between Agartala of Tripura and Kolkata increases from 350 km to 1,645 km if Bangladesh territory cannot be used as a part of the land routes. Moreover, road communication through the hills and mountains with heavily loaded vehicles is quite hazardous and very costly too.

TABLE 1
DISTANCE OF STATE CAPITALS OF SIX OF THE ‘SEVEN SISTERS’ FROM KOLKATA, DHAKA AND CHITTAGONG (in kilometres)

State Capital & State	Distance from Kolkata	Distance from Dhaka and Chittagong	
	(If Bangladesh cannot be used)	through Bangladesh Dhaka Chittagong	
Agartala, Tripura	1680	186	248
Guwahati, Assam	1080	580	675
Shillong, Meghalaya	1180	480	575
Imphal, Manipur	1565	635	735
Kohima, Nagaland	1420	780	880
Aizawl, Mizoram	1550	555	655

(250 km if the river Karnaphuli is used)

Source: Chowdhury et al. (2004), *Enhancing the Trade and Investment between Bangladesh and Northeast India*, The Chittagong Chamber of Commerce and Industry Chittagong, Chittagong, Bangladesh, P.5.

3. Looking at the geography from another angle, it must be admitted that the geographical location of Bangladesh has also irrevocably determined Bangladesh’s status as a natural trading partner of the eight bordering Indian states, the ‘seven sisters’ and Paschimbanga, as Bangladesh has got a long border without any major natural barriers with these states located on three sides of Bangladesh. Nepal, Bhutan and Myanmar have also been naturally linked in trading relationships of the region from time immemorial, though the volume of the trade flows between Bangladesh and Nepal and between Bangladesh and

Bhutan were rather small in colonial times as well as in the Pakistan period. Nepal and Bhutan, both land-locked countries, are historically dependent on the port of Kolkata for their access to sea-trade during the British colonial period. The relatively smaller sizes of these two economies compared to the Indian economy have also been crucial in determining the peripheral status of their trading needs with countries other than India in the post-colonial period. Rather, it can be safely argued that their geographical locations have created a classic dominance-dependence syndrome in inter-state politico-economic relationships of these two countries vis-à-vis India. India virtually holds the key to economic development of these two countries, and there is a perception that India skilfully manoeuvres its regional policies to maintain this dominant status vis-à-vis these two of its smaller neighbours.²

4. Before the end of the British colonial rule in 1947, the regional economy of the eastern side of the Indian sub-continent was functioning as a reasonably integrated economic entity, where the agricultural export, plantation and forestry-oriented economic activities were organised around the concept of transportation through the regional metropolis-cum-port Kolkata and the natural harbour of Chittagong in the south east corner of the sub-continent. Even after the political division of 1947, the cross-country transport and communication networks between Bangladesh and India were allowed to function to some extent through treaties and arrangements till 1965, but most of the formal channels of trading were severely restricted or totally closed down after the Indo-Pak War of 1965. This politically-imposed disruption of legal trade between the two neighbouring countries tended to create and strengthen the flow of illegal trade of a number of agricultural and industrial goods across the porous land border as well as through the river and sea routes of the neighbouring areas of the two countries. Most of these items of smuggling used to cater to the demand patterns of the local economies on both sides of the border in particular.

5. Immediately after the independence of Bangladesh in 1971, Bangladesh legalised border trade for a brief period within a narrow band around the international border. But, the experience did not prove very beneficial for the war-ravaged country; and it brought a lot of criticism for the government from the opposition groups in Bangladesh, especially because of the fact that the severe disruption in the Bangladesh economy caused by the liberation war could not be mitigated much through that short-lived liberalisation phase of border trade. Rather, smuggling of raw jute, hides and skin, fish, etc. from Bangladesh was highlighted by the opposition groups in Bangladesh to discredit the post-liberation Awami League Government as an Indian stooge. In those crisis-ridden days of Bangladesh, that propaganda campaign was very effective to bring out 'raw nerves' on both sides of the then political divide in Bangladesh. The political changes of 1975 brought forth political forces to power in Bangladesh, which could be termed as more friendly to Pakistan. Therefore, at least in political rhetoric, the jingoistic tenor of anti-

Indian propaganda of successive governments in Bangladesh gained in momentum in the late seventies. But, the uneven pace of economic development of India and Bangladesh was gradually unfolding newer trends of legal and illegal international trade between the two countries, where one could easily notice a fast changing pattern of cross-border exchanges. In spite of the diatribes against India coming from Bangladesh's rulers since 1975, the flows of both legal and illegal trade between Bangladesh and India increased steadily almost every year since 1972 till the present days of 2016. The added momentum to this lopsided and almost one-sided trade flow was provided by the markedly uneven pace of import liberalisation policies pursued by the two neighbours starting from the mid-eighties. About a decade earlier than the birth of the World Trade Organisation (WTO), Bangladesh launched a vigorous drive of import liberalisation since the year 1986-87 as a part of the structural adjustment program (SAP) prescribed by the donor organisations like the IMF and the World Bank as aid conditionality. From then on, the whole complexion of legal trade as well as smuggling between these two neighbours changed very rapidly, especially in the cases of illegal exports from and imports into Bangladesh. For detailed analysis of the pattern of change, the seminal study on illegal international trade of Bangladesh by Gafur , Islam and Faiz (1990 and 1991) should be immensely helpful. The liberalisation drive was further accelerated in the early nineties in Bangladesh. On the other hand, India also quickened the pace of import liberalisation since 1991. But, the fact remains that the asymmetry of these two liberalisation regimes continues to be quite substantial till today in 2016.

6. As described in *South Asia Development and Cooperation report 2004*, analytically, there are two prime effects of transport infrastructure on intra-regional trade. First, its development could be viewed as a trade facilitation mechanism in terms of movement of tradable items among the members of a regional grouping. Secondly, the evolution of an efficient and low-cost transport infrastructure could contribute towards improving export competitiveness, resulting in trade-creation on a regional basis. Adequacy of infrastructure helps determine one region's success and another's failure—in diversifying production, expanding trade, coping with population growth, reducing poverty, and improving quality of life. Such effects need to be viewed in a broad perspective of a two-way causality running between trade and economic growth on the one hand, and income and infrastructure on the other. (RIS 2004, P. 63)

7. In Table 2, we present the official figures of the yearly flows of legal imports from India to Bangladesh and the yearly flows of exports from Bangladesh to India in recent years.

TABLE 2
BANGLADESH-INDIA LEGAL TRADE FLOW:
FROM FINANCIAL YEAR 2002-3 TO 2013-14

Financial Year	Import from India (In million US dollars)	Export to India (In million US dollars)
2002-3	1,355	84
2003-4	1,560	89.2
2004-5	2,007.1	143.6
2005-6	1,848.7	242.1
2006-7	2,226	289
2007-8	3,375.1	358
2008-9	2,863.6	276.5
2009-10	3,215	304.6
2010-11	4,560	512.5
2011-12	4,759	490.4
2012-13	4,777	564
2013-14	6,036	456.6

Source: Foreign Trade Statistics published by the Bangladesh Bank, Dhaka, Bangladesh through the internet.

From the figures presented in Table 2, we can say that Bangladesh's yearly legal import flow from India is more than ten times the legal export flow to India from Bangladesh on average. (It was more than thirteen times in 2013-14.) Knowledgeable quarters claim that the flows of smuggling of goods from India to Bangladesh carry almost the same type of imbalance compared to the value of smuggled goods from Bangladesh to India, though the actual values of the two flows cannot be accurately gauged for obvious reasons. Increasing proportions of both the legal and the illegal trade between Bangladesh and India are conducted through land ports, customs stations as well as through other points of land border and rivers and canals flowing from India to Bangladesh. Therefore, development of legal trade through proper arrangements and improved infrastructure can be considered as a vital prerequisite for curbing smuggling through the Indo-Bangladesh border points.

8. The issue of integrating the road, rail and inland water infrastructure of eastern South Asia boils down to overcoming the all-pervading lack of genuine political will and mutual trust among the countries of South Asia. The region remains one of the more 'internally disconnected' regions of the world. Physical integration of transport infrastructures would only involve, to a substantial extent, the restoration, improvement and consolidation of old transport links in the context of the expanded transport demand and the modern technological standards. In many areas, the original transport

infrastructure has fallen into disuse or needs upgrading. Therefore, such re-integration would require relatively modest investment from the countries of the region. It should be noted at this stage that the existing transport infrastructures of the different regional countries have certain technical incompatibilities, which can be suitably corrected in a planned way if concrete agreements can be reached on the issue of sharing of the infrastructures. The cost of such technical changes is not prohibitive, and the costs can be shared on the basis of amicable sharing arrangements. For example, Indian trucks are built with axle load limit of 10.2 tons each, but the Bangladeshi roads, highways and bridges are not suitable to bear such heavy burden for long periods, which will lead to frequent damage of such structures. So, there is a technical glitch against the idea of allowing Indian trucks to use Bangladesh's roads and highways system. The technical solution to this problem ranges from the proposal of transshipment of Indian goods through the Bangladesh territory by using Bangladeshi trucks for the distance to longer-run option of building heavier load-bearing roads, highways and bridges in Bangladesh. There are several other incompatibilities, which need to be corrected.

In the following paragraphs, we briefly outline the present conditions of the existing transport and communication networks:

9. Railway

There are five railway links between Bangladesh and India:

1. Birol/Radhikapur Meter Gauge Rail Link;
2. Rohanpur/Shinghabad Broad Gauge Rail Link;
3. Darshana/Gede Broad gauge Rail Link;
4. Benapole/Petrapole Broad Gauge Rail Link; and
5. Shahbazpur/Mahishashan Meter Gauge Rail Link.

Four of the five rail links are currently used; the Shabazpur/Mahishashan Meter Gauge Rail Link is not in use. But, the lack of coordination between the railway authorities of the two countries and the incompatibility of the two railway systems have already created the following technical problems:

Bangladesh railway wagons cannot be connected to Indian rolling stock without reducing the speed and efficiency of the trains.

Indian and Bangladeshi railway wagons have different coupling and braking systems.

Present rating of Jamuna Bridge (43.7 KN per meter) does not allow Indian fully loaded goods wagons to pass through.

Lengths of Indian goods trains and Bangladeshi goods trains are different. India follows the rule of connecting 33 BCX wagons, whether Bangladesh allows only 30 BCX wagons because of the shorter passing loop length of 1850 meters in Bangladesh Railway. Therefore, every time three wagons are left out of Indian trains at border junctions. New goods train is formed with required number of such left out wagons, which creates unnecessary delay in movement of goods between the two countries.

Lack of coordination between gauge conversion in Indian Railway and in Bangladesh Railway's dualisation of gauges currently going on may be killing the prospect of uninterrupted inter-country train movement in the future.

From the list given above, it can be easily understood that the technical problems are not insurmountable if the political will can be created. One interesting episode supports our contention: During the construction of the Jamuna Bridge in Bangladesh, Indian railway wagons were allowed to be brought up to the bridge site carrying boulders from India. Bangladesh has recently completed its dualisation of railway gauge up to Dhaka Kamalapur Railway Station. A passenger train between Dhaka and Kolkata has been operating since 2007, and preparations are underway to start another train service between Khulna and Kolkata. Another prospective route will be developed from Kolkata to Mongla now that the Rupsha Bridge is completed. This planned extension of broad gauge railway will open up the possibility of using the Benapole (Bangladesh)-Bongaon (India) railway line to reach Mongla port for Bangladesh-India bilateral trade as well as for third country trade of Nepal and Bhutan. Therefore, the accelerated development of Bangladesh-India railway cooperation and sub-regional railway cooperation can no longer be postponed by its detractors on technical grounds only. The requisite changes can be achieved within a short time if political agreements are reached, and the cost of such changes does not seem prohibitive.

Proposed Railway-based Transit Routes

In the aftermath of the joint communiqué signed in January 2010, hectic ground works are undertaken for implementing the transit arrangements through the railway networks of Bangladesh. The following routes are being proposed by the expert committees formed in Bangladesh as core transit routes through railway networks:

Users	Route
India & Bangladesh	Route 1: Silchar-Mahishashan/Shahbazpur-Dhaka ICD (Dhirasram)-Bangabandhu Bridge-Darsana/Gede-Kolkata
	Route 2: Silchar-Mahishashan/Shahbazpur-Chittagong Port

Route 3: Agartala-Akhaura-Dhaka ICD (Dhirasram)-
Bangabandhu Bridge-Darsana/Gede-Kolkata

Route 4: Agartala-Akhaura-Chittagong Port

Route 5: Kolkata-Petrapole/Benapole-Khulna-Mongla Port

Nepal & Bangladesh **Route 6:** Birganj-Raxaul-Katihar-Singabad/Rohanpur-Khulna-
Mongla Port

Route 7: Jagbani, Biratnagar-Radhikapur/Birol-Parbatipur-
Khuna-Mongla Port

Potential Railway Routes for future Development:

India & Bangladesh **Route 1:** Agartala-Akhaura-Dhaka ICD (Dhirasram)-Padma
Bridge-Benapole/Petrapole-Kolkata

Bhutan & Bangladesh **Route 2:** Hashimara-Holdibari/Chilahati-Parbatipur-Khulna-
Mongla Port

The proposed routes can be made operational in less than two years with very modest investments in most cases if political agreements for transit are signed.

10. ROADS AND HIGHWAYS

At present, Bangladesh has got 16 official land ports and 92 land customs stations at different points of its international border. The land ports are: 1. Bhomra in Satkhira district, 2. Benapole in Jessore district, 3. Sonamasjid in Chapai-Nawabganj district, 4. Hili in Dinajpur district, 5. Burimari in Lalmonirhat district, 6. Haluaghat in Mymensingh district, 7. Tamabil in Sylhet district, 8. Chatlapur in Moulvi Bazar district, 9. Akhaura in Brahmanbaria district, 10. Bibir Bazar in Comilla district,

11. Muhurighat-Belonia in Feni district, 12. Teknaf in Cox's Bazar district, 13. Banglabandha in Panchagarh district, 14. Birol in Dinajpur district, 15. Darsana in Chuadanga district and 16. Nakugaon in Sherpur district. Out of these 16 land ports, only one land port, Teknaf, is used for Bangladesh-Myanmar trade. Another land port, Burimari, is largely used for Bangladesh's trade with Nepal and Bhutan in addition to Indo-Bangladesh trade. The other land port used for Bangladesh's trade with Nepal and Bhutan is Banglabandha, which has recently been opened as an immigration check-post. All the other land ports and land customs stations are solely used for Indo-Bangladesh trade. (Two other land ports are going to be opened in the near future in consequence of the joint communiqué signed between Bangladesh and India in January 2010 during the visit of the prime minister of Bangladesh. One of these two land ports will be established

at Ramgarh in the hill district of Khagrachari and the other will be established at Thegamukh of the hill district of Rangamati.) The rates of growth of border trade through the different land ports mentioned above and also through the land customs stations are very high. In fact, Benapole Land Port has become the second largest port of Bangladesh, vastly surpassing the flow of trade through the second sea port of Bangladesh, Mongla. Even, trade through Bhomra, Sonamasjid, Akhaura and Hili land ports are also rising substantially every year, though knowledgeable quarters claim that the major proportions of the flows of trade through some of these land ports are deliberately kept unrecorded by the government officials and/or private operators of these land ports in order to deprive the government from tariff and tax revenues in collusion with corrupt personnel of various government agencies working in the land ports and the importers using the land ports. The following points are mentioned as very pertinent issues and significant recent developments:

- The dilapidated condition of highways in Bangladesh is the largest roadblock in the way of early implementation of road transit arrangements through the road networks of Bangladesh. The load bearing capacity of roads, bridges and culverts in Bangladesh is also inadequate to take the burden of Indian trucks at the present stage. Most of the highways are two-lane roads, and therefore, will not be suitable to handle the extra traffic generated by transit vehicles. Therefore, the issue of providing road transit to India, Nepal and Bhutan will have to wait for significant improvement and modernisation of the highway system of Bangladesh. Only transshipment remains as a viable option for the near future.
- Transshipment of goods can start quite rapidly if political decisions are made. In that case, a designated trucking company can be formed as a joint venture of Bangladesh, India, Nepal and Bhutan to transport goods from one country to another without hassle. Another suitable method may be to use sealed containerised cargo. Electronic scanning of goods carried in the containers can be used to ascertain the true nature of goods in the sealed containers.

Benapole has been handling the bulk of imports of Bangladesh from

India. So, the facilities of Benapole will need substantial improvement if it is used as a transit port. Sonamasjid land port has gained in importance after the opening of the Jamuna bridge, and the condition of the road is satisfactory. But, the facilities of the port remains very poor, and goods transshipment may not be very satisfactory there if modernisation of the land port is not undertaken on an emergency basis.

Bibir Bazar, Akhaura and Tamabil land ports on the eastern border of Bangladesh are currently carrying the major load of goods movement between Bangladesh

and the ‘the seven sisters’ of India. Tamabil is the point through which coal and fruits are imported from India to Bangladesh. It is supposed to be the entry point of the proposed Asian Highway from India to Bangladesh. But, the prospect of the opening of the Asian Highway for cross-country movement of traffic through Tamabil seems quite bleak, though the highway is developed in recent years on both the Bangladesh and Indian sides to cater to the future expansion of traffic. Through Akhaura and Bibir Bazar, ‘the seven sisters’ of India indirectly use the services of Chittagong sea port of Bangladesh. Actually, the whole eastern border of Bangladesh is conveniently used by the smugglers of Bangladesh and India to smuggle out legally and illegally imported goods to the ‘seven sisters’ as well as some Bangladeshi goods like cement, C.I.Sheet, M.S. Rod, construction materials obtained from ship breaking yards of Chittagong, etc.

- Two routes were initially targeted for giving transit to India:
 - 1) Benapole-Jessore-Dhaka-Kanchpur-Sylhet-Tamabil Route (AH-1); and
 - 2) Banglabandha-Hatikumrul-Dhaka-Kanchpur-Sylhet-Tamabil Route (AH-2).

The third route can be used for giving transit facilities to Myanmar, which is Dhaka-Kanchpur-Chittagong-Cox’s Bazar-Teknaf-Myanmar (AH-41). This route will be crucial if the deep sea port at Sonadia can be established, because, then it can be used to link up China and Thailand with Bangladesh through Myanmar.

- The proposed land port of Ramgarh linking with Sabrum of Tripura can be a major transit point after the completion of the bridge over the Feni river, which is currently under construction, if a new highway is built on the coastal embankment from Chittagong to Baraiarhat point in Mirsarai linking with the highway to Ramgarh exclusively for use by trucks. This new road can be constructed as a joint venture of Bangladesh and India. Needless to say, this route will solve the problem of future traffic congestion in the relevant portion of the existing Dhaka-Chittagong highway, (which is already a problem), if and when road transit agreements are signed.

There are 22 border posts on the India-Nepal border, out of which 15 check posts are authorized to handle transit traffic. But, only six border posts are consistently used for transit traffic. These are: Dhangadhi, Nepalganj, Bhairahawa, Birganj, Biratnagar and Kakorvitta. Out of these six, Birganj, Bhairahawa and Biratnagar handle 80-85 per cent of Nepal’s international traffic of goods and passengers. Indian trucks can enter Nepal without hindrance, but they must return to India within 72 hours. Nepalese trucks need permit for every trip to India, and the permit remains valid for three months.

India allows Kakorvitta-Panitanki-Fulbari-Banglabandha corridor for Nepal-Bangladesh bilateral trade. But, this corridor cannot yet be used for third country trade in spite of the fact that formal decisions for allowing third country trade have been made in early 2011.

Bhutan can use Phuntsholing-Changrabandha- Burimari corridor for its bilateral trade with Bangladesh. But, this corridor can not yet be used for third country trade of Bhutan.

Between Bangladesh and India, there are several direct bus services: 1) Dhaka-Kolkata bus, 2) Dhaka-Agartala bus, 3) Dhaka-Shiliguri bus. All the check posts between Bangladesh and India are frequently used by passengers for cross-country travel; Benapole handles the majority of passenger traffic. The proportion of Bangladeshi passengers in the total flow of passengers is more than 85 per cent. However, the Dhaka-Agartala bus service has become a losing concern because of the difficult road journey.

From the Petrapole (Gurudaspur) point of India, the roads are not wide enough nor are these adequately maintained, and there is no direct bus service to Kolkata from Petrapole. This negative attitude of the Paschimbanga (West Bengal) government seems quite strange, because, Paschimbanga earns huge income from the Bangladeshi passengers using this route for their Indian visits.

It takes 45 days to transport a container from Delhi to Dhaka, because the container first moves from Tughlakabad ICD, then to Mumbai and Singapore. From Singapore, the container is shipped to Chittagong port, and then to Dhaka. The distance of around 2000 km could be covered in two to three days if direct rail or road transportation would be allowed for such container movement.

Bhutanese buses are allowed up to certain towns of Paschimbanga and Assam of India. Vehicles carrying Bhutanese goods are allowed up to some rail heads. But, Bhutanese third country cargo often faces long delays in Kolkata port.

Regarding the issue of functioning of the land border crossings of South Asia before the January 2010 joint communiqué, Rahmatullah (2004a) rightly pointed out the major problems at the land border crossings of South Asia in the following words:

“Considerable inefficiencies exist at the land border crossings between SAARC countries. The basic constraints are the lack of efficient customs operations, including lack of transparency of procedures for inspection, informal payments, and inadequate preparation of customs documents by the shipper, etc. An unusually long time is taken for scrutiny, checking and completion of documents and for completion of formalities with the banks. Banking facilities are inadequate; medical,

communication, warehousing, security and fire fighting facilities are deficient; wayside amenities are absent. For want of truck terminals, vehicles are parked on the road creating acute congestion. In most of the border points there is only one exit for both passengers and goods creating considerable inconvenience for users.” (Rahmatullah 2004a, P. 61)

The situation has not improved much in the intervening 12 years from 2004 to 2016. From the list of inadequacies in the land border crossings noted above, it should be clear that these shortcomings can be easily overcome if sincere efforts are undertaken by the countries. Especially, with the fast development of information and communication technologies, the modernization of operation of border posts has become very cost-effective in recent times. Good sense should prevail without any further delay!

The Asian Land Transport Infrastructure Development (ALTID) project endorsed by the UN Economic and Social Commission for Asia and the Pacific (ESCAP) in 1992 focuses not only on physical integration of South Asian road and rail transport systems through the development of the Asian Highway (AH) and the Trans-Asian Railway (TAR) projects, but also, on the importance of accession to various international facilitation conventions to ensure efficient movement of goods and people across national boundaries. But, formidable challenges remain in the implementation process of the ALTID project in the South Asian region because of mutual lack of trust between Bangladesh and India in the eastern South Asian region and India and Pakistan in the western South Asian region, which is harming the proposed transit and transshipment arrangements needed for successfully using the facilities being created under the ALTID project. For example, during the BNP-led alliance rule of 2001-2006, Bangladesh refused to sign the protocol facilitating the use of the Asian Highway portions situated in Bangladesh on the ground that if Tamabil border point in the eastern border of Bangladesh and the Benapole and Sonamasjid border points on the western border were opened up for cross-country transit traffic then India would use the route as a corridor between its eastern states and the rest of India. Therefore, Bangladesh proposed an alternative connection with the Asian Highway through Teknaf of Bangladesh and Myanmar. No other member country of the Asian Highway project agreed to this alternative proposal of Bangladesh; even Myanmar did not agree. As a result, Bangladesh was cut off from the agreed route of the Asian Highway for the time being. Virtually, Bangladesh temporarily withdrew itself from the Asian Highway project!

Proposed Road-based Core Transit Routes

As follow-up of Prime Minister Sheikh Hasina’s visit and the joint communiqué signed during that visit some expert committees are working to formulate the proposed routes for road transit. The following routes are chosen as the proposed routes:

Users	Routes
India & Bangladesh	<p>Route 1: Kolkata-Petrapole/Benapole-Dhaka-Akhaura/Agartala</p> <p>Route 2: Agartala-Akhaura-Chittagong Port</p> <p>Route 3: Silchar-Sutarkandi-Chittagong Port</p> <p>Route 4: Silchar-Sutarkandi-Paturia Ferry-Benapole/Petrapole-Kolkata</p>
India, Bangladesh & Bhutan	<p>Route 5: Samdrup Jonkhar (Bhutan)-Guwahati-Shilong-Tamabil-Sylhet-Chittagong Port</p>
Nepal, India & Bangladesh	<p>Route 6: Kathmandu-Kakarvita/Phulbari-Banglabandha-Mongla Port/Chittagong Port</p>
Bhutan, India & Bangladesh	<p>Route 7: Thimpu-Phuentsholing-Joygaon/Burimari-Mongla Port/Chittagong Port</p>

Other potential Land routes for future development:

India & Bangladesh	<p>Route 1: Subroom-Ramgarh-Chittagong Port</p> <p>Route 2: Demagiri-Thegamukh-Rajsthali-Chittagong Port</p>
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11. INLAND WATER TRANSPORT

Bangladesh has got a world famous river system, the Ganges-Brahmaputra-Meghna (GBM) system, flowing through the land with more than two hundred and thirty rivers and tributaries. Inland waterways used to dominate the transportation of goods as well as passengers in the colonial past, but insufficient investment in the maintenance and development of the waterways during the last sixty years has been playing havoc in this field, which is causing a gradual loss of the inherent advantage of the waterways in Bangladesh. The eastern states of India are still linked with Bangladesh through the waterways, but they are scantily used by India in spite of the existence of a transit agreement with Bangladesh for the use of the inland waterways of Bangladesh by Indian vessels. In this regard, the following points are highlighted:

Sea ports like Chittagong and Mongla of Bangladesh and Kolkata and Haldia of India may be integrated by inland waterways to form an economically lucrative transportation system, which will greatly reduce the cost as well as time of transporting goods to and from the land-locked ‘seven sisters’ of India.

Now that containerization of shipping has made customs clearance of cross-country movement of goods redundant and/or unnecessary at the transit points for the sealed containers, the ‘seven sisters’ can use Chittagong and Mongla ports through the inland waterways of Bangladesh if suitable protocols are signed between the two countries for movement of sealed containers on coasters and barges plying the rivers of Bangladesh up to some convenient river ports of eastern India like Karimganj or up to Ashuganj river port of Bangladesh at the least. (Ashuganj has been declared as a port of call in the January 2010 joint communiqué.)

India has extensive inland waterways too, three of which have been declared national waterways. The Ganges and Brahmaputra waterways of India can be linked up with the waterways of Bangladesh, and can even be extended up to the Nepalese river ports if regional protocols can be signed among the three countries involved. Nepal has been showing interest about the development of waterways between the Koshi and Gandaki (Narayani) rivers of Nepal and the Ganges waterways of India with a link up with the waterways of Bangladesh, which will open up Chittagong and Mongla ports of Bangladesh for Nepalese export and import goods traffic. India seems to be uninterested about this proposal.

ESCAP initiated the Development of Inland Water Transport (IWT) Infrastructure and Services project in 1999 to study the regional integration of inland waterways of Eastern South Asia as well as transit along international waterways. But, no agreement could yet been reached on the issue of integration of the relevant waterways.

Inland Water Routes for Transit

Users	Route
Tripura & Mijoram	Route 1: Kolkata-Namkhana-Sheikhbaria-Mongla-Kawkhali-Barisal-Chandpur-Bhairab Bazar/Ashuganj-Sherpur-Zakiganj-Karimganj
Guwahati region of Assam	Route 2: Kolkata-Namkhana-Sheikhbaria-Mongla-Kawkhali-Barisal-Chandpur-Mawa-

Paturia-Sirajganj-Chilmari-Daikhawa-Dhubri
Pandu-Silghat

Tripura & Mijoram (proposed route) **Route 3:** Kolkata-Namkhana-Sheikhbaria-Mongla
-Kawkhali-Barisal-Chandpur-Ashuganj (by
waterway) then Ashuganj to Akhaura by road as
a multimodal route

Potential Routes for Future development:

Southern part of Assam (proposed route) **Route 1:** Dhulian-Godagari-Rajshahi-Pakshi
-Daulatdia-Mawa-Bharab Bazar/Ashuganj-
Sherpur-Zakiganj-Karimganj

Eastern part of Bhutan **Route 2:** Mongla-Kawkhali-Barisal-Chandpur
-Mawa-Paturia-Sirajganj-Chilmari-Daikhawa-
Dhubri (then by road to Bhutan)

Section C: The Case for Regionalising the Connectivity Issue in Eastern South Asia: Problems and Prospects

1. As already stated in the introductory section, Chittagong is the lone natural harbour of the eastern sub-region of South Asia, which includes Bangladesh, Nepal, Bhutan and the seven north-eastern states of India popularly known as ‘seven sisters’, i.e. Assam, Meghalaya, Arunachal Pradesh, Manipur, Nagaland, Tripura and Mizoram. Eastern South Asia and the neighbouring regions of China, Myanmar and Thailand can be legitimately termed as the potential economic hinterland of the sea port of Chittagong and the entire sea coast of Bangladesh. From many areas of Myanmar, Thailand and China the sea coast of Chittagong and Cox’s Bazar of Bangladesh is geographically the nearest (and/or more easily accessible) compared to the sea coasts of those three countries. This unique advantage of the geographical location of Bangladesh should not remain unappreciated and/or unutilised because of political hindrances standing in the way of regional sharing of connectivity networks, we contend.

2. The issue of regional trade in the eastern South Asia sub-region is entangled with the issue of bilateral versus multilateral arrangements for trading and economic co-operation. India is the dominant trading partner in its bilateral trading arrangements with Bangladesh, Nepal and Bhutan, especially in respect of legal trade. But, if only the eastern states of India are considered in the evaluation of the economic benefits of trading

and transport cooperation arrangement in the region, the mutuality of positive benefits arising out of such cooperation becomes much more apparent. The ‘seven sisters’ of eastern India — Assam, Meghalaya, Arunachal Pradesh, Manipur, Nagaland, Tripura and Mizoram — have been badly suffering because of their land-locked geographical locations, and Bangladesh may help significantly in alleviating their predicament by opening up the least costly avenues for sea-trade for these relatively less developed and remotely placed Indian states. These states are lavishly endowed with a number of natural resources including minerals (limestone, for example), but those resources remain largely untapped due to cost considerations arising out of difficult terrain and geographical distance from the heartland of India through the narrow Shiliguri corridor, popularly known as ‘the chicken neck’. The geographical location of Bangladesh has been the main contributing factor in cutting off these states from the mainstream economic development process of India. It is to be appreciated that this hindrance needs to be overcome as soon as possible through a formal arrangement of regional cooperation and sharing in the field of transport infrastructure among all the stakeholders in the region, and we submit that the basis of such cooperation should be multilateralism within the ambit of regionalism rather than bilateralism. We further submit that along with Bangladesh, India and the two smaller countries of Nepal and Bhutan efforts should be initiated to include Myanmar, Thailand and China in such arrangements for sharing connectivity networks in order to make such cooperation truly regional in character, because, we believe, such regionalisation of cooperation arrangements may be a way-out to circumvent the perceived notions of mutual mistrust and apprehensions about each other’s hidden agenda among the neighbouring countries of the region.

3. At present, the seven eastern states of India neighbouring Bangladesh—Assam, Meghalaya, Arunachal Pradesh, Manipur, Nagaland, Tripura and Mizoram—account for a very small proportion of the value and volume of legal trade between Bangladesh and India. A more substantive proportion of illegal trade is conducted through the long land borders between Bangladesh and these states. Empirical observation shows that these states are already using the Chittagong port through the services of the smugglers of the two countries. Liberalisation of legal trade of Bangladesh with these seven states would be mutually beneficial, but as this issue is always entangled with the over all trade issue of Bangladesh with India, these seven states are constantly been subjected to a ‘rough deal’.

4. It is also strategically dangerous (and unfortunate) that all the eastern states of India are experiencing local insurgencies around some ethnic or sub-national issues. The Indian and Bangladeshi governments were frequently accusing each other of harbouring and covertly helping insurgents in each other’s soil. After the signing of the Chittagong Hill Tract Peace Treaty in 1997, Bangladesh seemed to have achieved a temporary respite in its insurgency situation. But, the ‘seven sisters’ continue to suffer from insurgency

operations, which were allegedly using the Bangladesh coastline for their clandestine arms deliveries. (The ten-truck arms case has proven this allegation.) More importantly, these continuing troubles in the Indian states are used by the anti-Indian political parties of Bangladesh to frustrate any attempt to embark on the path of transit or transshipment cooperation with these states on the plea that India would be using the facilities to use Bangladesh as a corridor for military counter-insurgency operations, which will expose Bangladesh to counter-attacks and sabotage operations from the insurgents. The issue remains an explosive and highly divisive one in Bangladesh. It is, however, heartening to note that the present government of Bangladesh under Sheikh Hasina has vowed not to allow any insurgent groups of the 'seven sisters' to use Bangladesh as sanctuaries, and has shown its earnestness on the issue by handing over several leaders of ULFA to the Indian authorities in the last six years and by dismantling a number of camps formerly used by the insurgent groups.

5. Moreover, the fact that Indian producer goods as well as consumer goods have successfully penetrated a sizeable section of the domestic market of Bangladesh through both legal trade and smuggling has created the spectre of neo-colonial domination and dependency syndrome in the relationship between these two neighbours too. The perceived notion of Indian hegemony is vitiating the political scene of Bangladesh.

6. The issue of illegal migration and subsequent settlement of Bangladeshis in the neighbouring Indian states has also been acting as a highly contentious issue between the two neighbours in almost all forums of communication and dialogue. The Indian side claims that these states have been faced with the spectre of an impending demographic disaster because of these huge migratory movements. But, the Bangladesh side denies any such huge outflow in the recent times, and contends that the political exigencies of the neighbouring Indian states are largely instrumental in making big issues out of this long-drawn historical phenomenon, which has almost died down in recent years. The recent decision of India to build border fencing in the Indo-Bangladesh border has badly hurt the sentiments of all Bangladeshi citizens. It is a particularly vitiating factor impeding the prospects for transit or transshipment arrangements between the two neighbours. It is, however, significant to note that this issue has been deliberately played down by India since the visit of the Bangladesh prime minister in January 2010. It proves that the issue of illegal migration is not that critical after all, at least in recent times!

7. We emphasise that transit or transshipment is an issue where Bangladesh's unique geographical location has given it a truly prospective opportunity for achieving economic benefits from regional cooperation. But, understandably, this is a politically sensitive issue in Bangladesh because of India's dominant economic and 'military power' status in the region. Bangladesh's anti-Indian political forces used various 'bogies' to deny India transit facility in the last 41 years since 1975. Even, an alternative proposal for

transshipment of Indian goods to the ‘seven sisters’ by Bangladeshi trucks, presented by a commerce minister of the Bangladesh Government of 2001-2006, was successfully blocked by the anti-Indian lobbies in 2002! Therefore, we suggest that this issue should be tackled on a regional basis, including Nepal, Bhutan and China in the process.

8. Most unfortunately, the issue of border killings of Bangladeshis by the Border Security Force (BSF) of India has been constantly vitiating the political atmosphere of Bangladesh in recent years in spite of the apparent change of heart of both the governments of India and Bangladesh about establishing friendly neighbourly relations since January 2010. It must be said that this issue often presents India as a cruel neighbour and a big brother bully in the minds of average Bangladeshis. (Especially, after the inhuman killing of a teenager girl named Felani in 2011 and the video footage of an unbelievably cruel torture of a bare-naked Bangladeshi citizen after stripping him naked before the camera by the personnel of the Border Security Force (BSF) of India telecast in almost all the television channels of India and Bangladesh in January 2012, the anti-India sentiments among the common people of Bangladesh reached an all-time high, which has damaged the goodwill of India as a friendly neighbour. It is particularly disturbing that after the assurance given by the Indian home minister in 2011 that such killings would be gradually brought to zero the Director General of the Border security Force (BSF) of India has re-iterated in January 2012 that border shooting would continue! Another recent issue that has created antagonistic feelings against India among the common people of Bangladesh is the deliberate hindrances put in the way of transport of cattle from India to Bangladesh, which has been going on since time immemorial.) In this context of deeply hurt feelings of the people of Bangladesh, I am afraid that the issue of providing India transit or transshipment through Bangladesh in the near future will also raise virulent anti-India sentiments in the minds of a significant proportion of Bangladeshis, which has definitely got a boost from all these senseless killings and incidents of cruelty in the Bangladesh-India borders as well as from creating an unnecessary issue over cattle smuggling. Regionalisation of the transit issue, therefore, will be a good alternative way for the near future.

SECTION D: CURRENT CHALLENGES FOR BANGLADESH REGARDING REGIONAL CONNECTIVITY

1. Integrating the Information and Communication Systems

The world is fast becoming an increasingly seamless global village because of the ongoing revolution in information and telecommunication technology (ICT). This revolution has opened a wonderful window of opportunity for South Asia because of the fact that the ICT revolution favours the countries with large pools of highly educated

human capital who can gain the expertise to master the fast changing hardware and software of the ICT technology. South Asia has an added advantage in the form of a vast reservoir of low-cost English-speaking workforce, which can out-perform the experts with non-English language background in taking advantage of the ICT revolution. As a consequence of human element of the ITC revolution, India has emerged as the world leader in providing the largest pool of software experts and computer technologists in the world, and the export of ICT experts has made India the focal point of multinational companies in the field of outsourcing jobs from the rest of the world and as a regional hub for off-shore software development. Needless to say, India has out-performed China in the ICT field. Lately, Sri Lanka and Pakistan have accelerated their drives of achieving large pools of specialists in the ICT field, though they still remain far behind India in the race. Bangladesh had been lagging behind in the field in spite of its large population because of some blunders committed by the BNP government of 1991-96. But, the present government has been trying hard to catch-up through its 'Digital Bangladesh' programme, and the results are very encouraging.

There is an increasing awareness in the South Asian countries that the ICT revolution has probably brought the golden chance to the countries of this region to achieve the emancipation of their common people in their struggle to break the shackle of poverty and deprivation. It is no accident that India's GDP growth rate has increased to almost 9 per cent in recent years, and that some Indian multinational companies in the ICT field have emerged as world leaders in the competition for supremacy with giant multinational companies like the Microsoft, Intel, Del, etc.

Considering the fact that India is far ahead of other South Asian countries in the field of ICT, a spirit of rivalry and competition may be dominant in the region rather than the spirit of cooperation. We humbly submit that in spite of the scope of rivalry, the people of South Asian countries will gain immensely from creating an environment of free flow of information in the whole region with the help of this ongoing ICT revolution. This technology has strong spread effects and linkages, both forward and backward linkages. E-governance, E-commerce, E-learning, internet throughout the country, etc. have become much more achievable targets for developing countries in recent years, and the so-called 'digital divide' may not be as impregnable as it was thought a decade earlier! Especially, mobile telephone networks have become so affordable that even low income people can hope for accessing the communication services at quite cheap rates. South Asian countries have recently become one of the fastest growing regions in the world regarding the spread of network coverage and number of mobile telephone users. The economic effects of such a revolutionary spread of the cost-effective telephone communication should be quite spectacular too. Regional cooperation in integrating the communication links of South Asia becomes doubly imperative when one considers the following sad realities of South Asia:

Satellite television networks of Bangladesh, Pakistan and Sri Lanka are not yet accessible to the viewers of India.

Newspapers, magazines, journals and periodicals of different countries are not freely allowed in all countries of South Asia. Exchange of cinemas and cultural troupes among the countries is also discouraged.

The rates of telephone calls to receivers of different countries of South Asia are higher in some countries of the region compared to the rates charged for overseas calls to more distant destinations.

Mobile telephone networks are not allowed in many areas of South Asian countries on grounds of insurgency, terrorism, national security and secessionist movements.

Though South Asia is now the largest source of overseas migrants working in different countries of the world the nationals of different South Asian countries do not maintain close contacts with each other in their overseas work stations, towns or cities.

The financial transactions among the South Asian countries take longer times for completion compared to the transactions of the South Asian countries with other countries of Asia, Europe and North America. This delay is one of the factors for the continued flourishing of informal money markets in all countries of South Asia.

The reality of the region speaks a volume about the real nature of the acute problem of 'disjointedness' among the South Asian countries. Technology is not the problem. The real problem lies in the political realm.

2. Regionalisation of Chittagong Port and the Sea Coast of Bangladesh

Inter-port connectivity in the South Asia region is one of the lowest in the world. This is quite unusual given the fact that India is the second largest source of legal imports of Bangladesh. The overwhelming proportion of Nepalese and Bhutanese third country exports are transported through Kolkata and Haldia ports of India, which often face congestion, thereby causing long delays in handling the import and export items of Nepal and Bhutan. But, India is seen to be less than enthusiastic to accommodate Nepal's requests for allowing them to use Bangladeshi ports as alternative routes for their international trade. Nepal has been complaining for long about India's non-cooperation on the issue. The same is the case with Bhutan, though Bhutan is not yet very vocal in expressing their grievances on the issue. South Asian exports are suffering for long because of the operational inefficiency of the sea ports of the region, though some recent steps of privatization of certain port operations have been quite successful in overcoming major deficiencies in the operational fields. The Sri Lankan port of Colombo is an

example of such modernization success story. Some Indian ports like Jawaharlal Nehru and Mumbai have also been successful in improving operational efficiency in recent times. But there are certain peculiar features hampering the co-operation efforts in the field of sharing of the sea ports of the region as ‘regional ports’ rather than as ‘national ports’. For example:

Ships moving from Bangladesh to the ports of India’s east coast levy higher freight charges than for the movement to Singapore or Hong Kong.

There are regular feeder services between Colombo or Singapore and most South Asian ports, but there are no direct regular calls among the ports of Bangladesh, India and Pakistan in spite of recent efforts to link up the regional ports.

Due to poor performance of Kolkata and Haldia ports of India, cargo has to be diverted to distant ports like Vizag (or Vishakapatnam) port located some 650 km away or to Jawaharlal Nehru port located 1780 km away from Kolkata, but India regularly used to torpedo all efforts of allowing Nepal or Bhutan to use Bangladeshi ports of Mongla or Chittagong lying nearby.

Actually, Chittagong has got the prospect to become a regional trading and transport hub of the eastern South Asia. If concerted efforts are undertaken by Bangladesh, India, Nepal, Bhutan and China for developing Chittagong port and the proposed deep sea port at Sonadia of the district of Cox’s Bazar for their wider economic hinterlands located in eastern Indian states, Nepal, Bhutan and even China, Thailand and Myanmar, Chittagong and Cox’s Bazar can be the ‘**second Singapore**’ of Asia. The costs of proper infrastructure building for such an endeavour can be jointly shared by all the stakeholders. But, here again, politics seems to be the only major road-block. Regrettably, on this issue, the track record did not speak of an ‘open mind’ approach from India before January 2010. For instance, Nepal signed a transit agreement with Bangladesh a long time back for transit of Bangladeshi goods to Nepal through Banglabandha border crossing on the Bangladesh-India border, but the delay tactics of India in providing a corridor and the hurdles put on the regular use of the Indian ‘chicken-neck’ corridor made the transit arrangement ineffectual and virtually dysfunctional. Moreover, India did not allow third country trade of Nepal through this corridor. (However, a new beginning was made on this issue in January 2011 when the Banglabandha and Fulpur land ports on Bangladesh-India border were opened up for Bangladesh-India trade, Bangladesh-Nepal trade and for third country trade of Nepal through Bangladesh. Banglabandha has recently been opened as an immigration check-point in 2016.)

3. The Deep Sea Port of Sonadia

In the immediate aftermath of the Indian tour of Bangladesh's prime minister came the visit of Bangladesh's prime minister to China in 2010. During that tour, she requested for Chinese help for developing a deep sea port at Sonadia Island of the district of Cox's Bazar in south eastern Bangladesh for the proposed use by all the neighbouring countries of the region. It should be mentioned at this stage that the district of Cox's Bazar holds a major portion of the eastern coastline of Bangladesh with comparatively more advantageous geographical proximity of some areas of India, Myanmar, China and Thailand. The Chinese government responded very positively to her proposal; and within a short time, the then vice president of China Xi Jin Ping (the present president of China) came for a visit to Bangladesh to take forward the discussions on that issue. (It should be mentioned that a feasibility study on Sonadia had been concluded earlier by a Japanese firm, and they had recommended a phase-wise development of a deep sea port at Sonadia.) The behind the scene negotiations progressed rapidly and the two countries agreed to sign a memorandum of understanding (MOU) during the visit of Prime Minister Sheikh Hasina to China in 2014. But, immediately before her journey to China, India put diplomatic pressures on Bangladesh to call-off that signing. So, the signing of the MOU was shelved at the last minute. Obviously, India's geo-political rivalry with China regarding China's access to the Bay of Bengal sabotaged the deep sea port of Sonadia for the time being. The prospects of strengthening regional connectivity through Myanmar have also suffered lasting blows from the changed geo-political bias of Myanmar wherein the country's rulers seemed to have abandoned their preference for China and have been responding warmly to the efforts of the USA and India to woo them for developing friendly relations with the western capitalist countries, India and Japan in stead. It seems that the Sonadia deep sea port project has no prospect of early implementation in the near future.

4. BCIM and BIMSTEC

The on-going efforts to build a regional economic cooperation and connectivity arrangement called as Bangladesh-China-India-Myanmar (BCIM) Economic Corridor, popularly termed as the Kun Ming Initiative, have also been stalled significantly because of India's changed geo-political perspective regarding providing the Chinese access to the Bay of Bengal. For Bangladesh, the proposed railway line from Dohazari to Gundhum, situated at the Bangladesh-Myanmar border, through Ramu of Cox's Bazar has become a victim of this loss of interest of India and Myanmar regarding BCIM Economic Corridor. In spite of the occasional rhetoric and events surrounding the Kun Ming Initiative, the real enthusiasm has died down in recent times. So, it may become another failed proposition like SAARC.

The future of BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) also seems to be hanging in limbo in spite of establishing the BIMSTEC headquarters at Dhaka. This loss of steam also has its roots in the changed geo-political interests of Myanmar's rulers and the political upheavals in Thailand. Currently, India does not take much interest in BIMSTEC either in spite of its earlier interest in the cooperation arrangement, because, it has established alternative cooperation arrangements with ASEAN.

5. The Indian Visa Conundrum

Rather than gradual easing of visa restrictions for cross-border movement of people of the countries of the region, the actual trend in the visa regime is in the opposite direction. India has significantly tightened the visa arrangements for Bangladeshi visitors to India. The fees for obtaining a visa have been raised; the time of processing has inexplicably been lengthened; and corruption and fraudulent practices seem to have taken over the whole process. These moves belie the lip-services of the governments of the countries given to friendly ties reaching historic heights!

6. The Kaladan River Project

India has almost completed the Kaladan River Project of the 'Seven Sisters' states of the north-east, linking those states with Myanmar's deep sea port at Sitway (formerly known as Akyab). This project will provide an alternative sea-link to those mountainous states through excavation for widening and deepening of the Kaladan river.

SECTION E: CONCLUSION

The issue of regional connectivity in the eastern South Asia sub-region has reached a crucial stage at the present juncture in spite of the 'Pakistan-India syndrome' of the political polarisation in Bangladesh. There is an under-current of sentiments that Bangladesh has already given too much to India in spite of India's about-turn on the sharing of water of the Teesta river. However, the anti-Indian political quarters have expressed their political stand that they would not oppose any future 'regional arrangements' for economic cooperation involving other countries of the region besides India and Bangladesh.³

We emphasize that the eastern South Asia sub-region is one of the least developed areas of the whole world with the majority of the people of the countries of the area living in abject poverty and economic deprivation. But, if the whole area is considered as one economic entity, it will emerge as a vastly potential candidate for achieving rapid economic progress with proper institutional and policy changes. At one end of the

spectrum, there are areas with vast natural resources waiting to be judiciously harnessed. At another end, the uneven density of population in different constituent areas or countries creates a different assortment of development problems. A well-developed process of economic integration of the countries of the region through institutional arrangements for cooperation is the crying need of the hour.

In light of the existing political realities noted above, we like to make some recommendations for the policy makers of the countries of the region, if they really mean to carry forward the mission of building up a viable infrastructural arrangement for enhancing regional connectivity in the near future.

1. The road network between Ashuganj and Akhaura should be completely rebuilt to make it truly adequate for handling the heavy trucks and tractor trailers to be used for the transit of Indian goods. India should finance the whole project.
2. The river port of Ashuganj should be developed on a priority basis with the construction of suitable jetties, provision of loading/unloading equipment, truck terminals and other port facilities.
3. A heavy load-bearing road exclusively for trucks and tractor trailers should be constructed on a priority basis along the coastal embankment from Chittagong up to Barairarhat point of Mirsarai in order to link up with the Barairarhat-Ramgarh road. India should participate in financing this project.
4. A tunnel should be built at some suitable point of the Karnaphuli river to open up the opportunity to build exclusive jetty facilities for transit cargo on the southern bank of the river. The tunnel should be linked up with the proposed road along the coastal embankment between Chittagong and Barairarhat point. In future, the tunnel can be linked with the coastal road project from Chittagong to Cox's Bazar and Sonadia through Anwara, Banskhali and Chakaria, for which finance is already allocated. (Arrangements are progressing fast for building such a tunnel.)
5. The construction of the Dohazari-Ramu-Cox's Bazar-Gundhum railway line should be expedited.
6. The construction of the deep sea port at Sonadia should not be shelved because of Indian pressure. Bangladesh and the South Asia sub-region will badly need such a facility for expediting their economic development in the future. If India has objections regarding Chinese financing, then alternative financing can be arranged from other countries at suitable terms and conditions. The proposed third sea port of Paira in Patuakhali will be a good addition to the country's port facilities, but its prospect for becoming a suitable deep sea port of the country is not bright, as learnt from experts. Now that a government agency is created in Bangladesh for the Sonadia

project, the works of the first phase should not be unnecessarily delayed in the name of the grandiose project of the future needing a fantastic amount of investment (Tk. 600 billion, according to the figures quoted by the newspapers from the preliminary feasibility report already completed by a Japanese firm!)

7. The Laksham-Narayanganj-Dhaka chord railway line project should be undertaken as a priority project to reduce the Dhaka-Chittagong distance through railway by about 63 miles. It should be a double-track, dual-gauge railway line. The proposed railway line for electric trains between Dhaka and Chittagong should be built in this project.
8. Containerised and sealed cargo should be preferred for transit traffic wherever feasible in order to avoid customs formalities as well as security risks. Modern scanning facilities should be arranged to ascertain the true nature of the cargo.
9. The transit fee structure should be determined on the basis of the principle of equitable sharing of cost-saving (or sharing of benefit principle) by the countries enjoying the transit facilities. For example, if transit through Bangladesh leads to a transport cost-saving for India of \$100, then Bangladesh should get a fair share of that \$100 in addition to the specific fees for specific services rendered and for specific costs incurred for giving transit facilities to India. That means, provision of transit facilities should be made an attractive and equitable proposition for all the countries involved.

Notes

1. The British economist John Williamson coined the term ‘Washington Consensus’ in 1989 to describe the famous understanding among these three organizations in 1979 to jointly pursue the implementation of the neo-liberal agenda of the ‘open market economy’.
2. The road blocks erected in the India-Nepal borders in 2015 have reminded everyone of the role of India as a regional hegemony. Nepal faced a serious economic disruption, and had to bow down to Indian pressures to accommodate the demands of the Madeshi people of Indian origin regarding the Nepalese constitution.
3. This may be a convenient escape route to be used by those political parties if and when they come to power in Bangladesh. Their anti-Indian postures are significantly mellowed down in reality when they run the government!

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