

Re-Connecting Neighbours: India-Bangladesh Relations @ 50

Anasua Basu Ray Chaudhury*

The Republic Day celebration in India on 26 January 2021 has become a landmark event in the 50 years of diplomatic relations between India and Bangladesh. For the first time, a contingent of the Bangladesh Armed Forces, comprising 122 members from its tri-services, participated in the Indian Republic Day parade, commemorating 50 years of the country's Liberation War and the establishment of diplomatic ties with India. After France (2016) and the UAE (2017), Bangladesh is the third country which has taken part in India's Republic Day celebrations.

Prior to this event, in a virtual summit meeting held on 17 December 2020, both countries agreed to celebrate the 50 years' journey of their diplomatic ties. Speaking at the summit, Indian Prime Minister, Narendra Modi, stated that "it is a matter of pride for us to celebrate the historic victory of Bangladesh over the anti-liberation forces as their Victory Day. When Bangladesh is celebrating the year of Mujib (Mujib Borsho: 17 March 2020 - 16 March 2021), India pays homage to the martyrs of both the countries who sacrificed their lives".¹ The fact remains that India intends to use this occasion not only to show closeness with its immediate eastern neighbour but also to ease the prevailing misunderstanding with Bangladesh regarding issues of cross border illegal immigration, the National Registration Certificate (NRC), and the new Citizenship Amendment Act (CAA) agenda of India.

It may be recalled that the Modi government's plans for a NRC and CAA have caused massive protests in Dhaka last year, ahead of Prime Minister Modi's visit to Bangladesh, which was subsequently cancelled. Consequentially, four ministerial visits to India from Bangladesh were also cancelled. The year-long celebrations of the 'Victory' of 1971, therefore, gave India an opportunity to strengthen its traditional ties with Bangladesh, which is a strong

***The Author**, Dr. Anasua Basu Ray Chaudhury, is Senior Fellow, Observer Research Foundation, Kolkata Chapter.

(This article was received from the author on February 14, 2021)

pillar in India's 'neighbourhood first' policy. In the Summit meeting,² both India and Bangladesh vowed to uphold and protect the cherished values of democracy and equality, in line with the aspirations of the people of the two friendly countries.

Indeed, India's ties with Bangladesh comprise various dimensions: they are civilisational; cultural/religious; social; and economic. As close associates, these two countries are organically linked - with their common heritage and shared history, common memories of tragic loss, and the separation of families on a massive scale following epic events in their contemporary histories. These historical ties have translated into multidimensional and ever-expanding bilateral relations between the two nations. The geographical locations of India and Bangladesh complement each other, and present an opportunity for both nations to further strengthen their connectivity and economies.

History reveals that, prior to the partition of India in 1947, the trade and commerce of India's north eastern 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. The only exception was river transit which was restored in 1972. Realising the fact that enhanced bilateral relations promise to provide exponential benefits to both countries, decision makers in New Delhi and Dhaka have become proactive in reviving this delinked physical connectivity. For India in particular, transit and trans-shipment across Bangladesh is important as it is expected to boost the economy of India's Northeast. On the other hand, 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 to middle income levels. Connectivity with India may also help Bangladesh earn money from the payment of transit fees, and may also provide access to the Indian market for its burgeoning middle class. Against this backdrop, this essay deals with developmental cooperation between India and Bangladesh in strengthening bilateral maritime connectivity and re-linking the routes of inland waterways.

Developing Short Sea Shipping

In view of the opportunities and challenges in the maritime space, both India and Bangladesh have revitalised their connectivity. India is keen to make SAGAR (the vision of Security and Growth for All in the Region)³ mutually reinforce the Sagarmala project,⁴ which is looking into the country's port-led

development through building or modernising port facilities, and easing port operations, including promoting ‘short sea shipping’ (SSS) or coastal shipping, amongst other measures. This is aimed at facilitating India’s vision of inclusiveness in the Indian Ocean Region, and can only be accomplished through increased connectivity.

Similarly, Bangladesh also deems it necessary to deepen its ties with India based on reciprocity and mutual respect. As a ‘maritime state’, Bangladesh has established a permanent Maritime Affairs Unit (MAU)⁵ under the Ministry of Foreign Affairs to look after maritime-related issues exclusively. Consequently, the Unit has played a crucial role in formulating The Bangladesh Maritime Zones Act, 2018,⁶ which aims at “exploring and exploiting living and non-living resources, to provide for the suppression of piracy, armed robbery, theft, and to make provisions for punishment and for matters connected therewith”.

Of India’s 13 major ports, seven are located along her eastern coast, including the Andaman and Nicobar Islands; and of these seven ports, it is mainly the ports of Kolkata–Haldia, Paradip, Visakhapatnam, and Chennai which are crucial for her maritime trade with Bangladesh. In the year 2016-17, within the Kolkata port, the Kolkata dock recorded the highest export figure of 17, 79, 766 tonnes (dry, breakbulk, and containers), while the Haldia dock recorded the highest import figure of 17, 682 tonnes (general cargo and containers) amongst all the major ports on India’s east coast in terms of trade with Bangladesh. In both cases of export and import, the Kolkata/Haldia port was followed by Paradip (Export figure: 1041279 tonnes, and import figure: 4211 tonnes). The import cargo list includes petroleum, oil, and lubricants along with containers.

In Bangladesh, the Chittagong and Mongla (at Khulna) ports are the major ports that handle international cargo. The Chittagong port is the principal seaport located on the banks of the Karnafuli River. To meet the increasing demands of the economy, and reduce the pressure on these two main ports, a new port, Payra, has been inaugurated at Patuakhali. It is also expected that, like Payra, the port at Matarbari will also help to clear the tailback faced at the Chittagong and Mongla ports. Experts hope that, once completed, the Matarbari port can compete with Colombo in terms of transshipment. Further, there is a plan to build another deep-sea port (now stalled) at Sonadia under the Bay of Bengal Industrial Growth Belt, or the Big-B initiative.⁷

In the maritime domain, the signing of the Coastal Shipping Agreement⁸ (CSA) 2015 between the two neighbours has been a landmark step. Maritime

transport is the most cost-and- energy efficient mode of transportation in the world. Indeed, shipping industries play a key role in establishing and sustaining commerce and growth. Acknowledging this fact, talks for enhancing maritime connectivity between India and Bangladesh have been underway since 2012. The plan to develop a new container terminal at the Chittagong Port, along with the creation of a container terminal at Pangaon, will enhance bilateral maritime trade through short sea shipping arrangements. It helps to have port-to-port direct cargo movement as well as bypassing the process of having goods shipped via the ports of Colombo, Singapore or Klang - the process followed prior to the agreement. It has also made way for Indian goods reaching the Chittagong Port to be delivered to India's Northeast. For instance, cargo from Kolkata to Chittagong or Mongla can be delivered through multimodal transport (rail, road, or inland waterways) to either destination within Bangladesh or India's Northeast. Bangladesh has allowed the use of the following routes for such purposes: Chittagong/Mongla to Agartala (Tripura), Chittagong/Mongla to Dawki (Meghalaya), and Chittagong/Mongla to Sutarkandi (Assam). Like Pangaon in Bangladesh, the riverine ports of Farraka and Bandel on the Indian side have been designated as ports of calls under the CSA.

India and Bangladesh share a riverine boundary of 1,116 km., and hence, for both countries, maritime connectivity holds great potential for their economic and socio-cultural developments. Indeed, the resolution of the maritime boundary dispute has created a congenial atmosphere for maritime initiatives. However, the pace of development in short sea shipping is still sluggish. Bangladeshi vessels are registered in India as river-sea vessels, by virtue of which they are subject to some relaxations of the kind reserved for Indian coastal vessels. Though this has promoted trade between India and Bangladesh, the number of ships must be increased on the coastal shipping route. As of now, only container traffic is prevalent, and there is a need to introduce cargo ships as well, which will help in the reduction of prices and the pressure of the cargo load moving through road routes.

Connecting Inland Waterways with Maritime Connectivity

Though India and Bangladesh started direct shipping in 2016, the volume of cargo has not grown to expected levels. One of the main reasons remains congestion in the Chittagong port in Bangladesh. Recently, Bangladeshi shipping lines have started moving containerised cargo from Kolkata to the inland river port at Pangaon; but the volume still remains quite low. As of now, Pangaon

(26 km away from Narayanganj on river Sitalakkha) is the only inland container terminal (ICT) in Bangladesh. Currently, rice, crude oil, leather, cosmetics, medicines, and plastic is being ferried by Indian vessels to Bangladesh. The export of food grains and raw material for garments via sea routes may be explored by the Indian side to make the bilateral trade more dynamic. In 2016-17, 2,59,8023 mt of fly ash was exported to Bangladesh from India through the India-Bangladesh Protocol route.

The India-Bangladesh Protocol on Inland Water Transit and Trade,⁹ first signed in 1972, has been a pioneer initiative in this context. Initially, the Protocol was renewable every two years. In April 2015, the two countries decided to renew the Protocol automatically after every five years. Under the Protocol, India and Bangladesh have agreed to use designated 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 50:50 ratio sharing on a tonnage basis for inter-country and transit cargo by Indian and Bangladeshi vessels.

On the Indian side, the designated inland water routes under this Protocol are as follows: Kolkata-Silghat-Kolkata; Kolkata-Karimganj-Kolkata; Rajshahi-Dhulian-Rajshahil; and Silghat-Karimganj-Silghat. Under this Protocol, six ports of call in each country have been nominated for facilitating inter-country trade. The National Waterways Act of India 2016¹⁰ has made provision for certain inland waterways to be national waterways (NW) and, thus, provide for the regulation and development of the said waterways for the purposes of shipping and navigation. Accordingly, 106 such waterways have been declared National waterways, of which 19 are in the Northeast. NW 2 is the main Protocol route between India and Bangladesh - from Kolkata-Sundarban-Chalna-Khulna-Mongla, and Kauhali-Barisal-Narayanganj-Aricha-Dhubri-Pandu-Silghat.

Floating terminals for facilitating cargo movement have been provided and maintained at ten locations: Dhubri, Jogighopa, Tezpur, Silghat, Vishwanathghat, Neamati, Bogibeel, Dibrugarh, Panbari, and Oriumghat. Land for setting up terminals at Hatsingimari, Dhubri, Silghat, Vishwanathghat, Neamati, Dibrugarh and Oriumghat has been acquired. As far as connectivity between India's Northeast and Bangladesh is concerned, NW 16 (River Barak) has also become highly important, connecting India's Northeast with Kolkata through the India-Bangladesh Protocol route. It covers the hinterlands of Manipur, Mizoram, and Tripura, in addition to Assam. NW 16 diverges from Narayanganj towards Bhairabbajar-Ajmerganj-Karimganj-Lakhipur. This is the new route which runs over the Kusiya and Barak rivers which are connected

to the Brahmaputra. However, these are seasonal routes. Further, for the development of connectivity through inland waterways, it has been decided that the Inland Waterways Authority of India (IWAI) would take initiatives to enhance the facilities at Bhanga (19 km upstream of Karimganj), and at Badarpur. Recently, the Sonamura-Daudkandi route on the Gomati river in Tripura, and the Rajshahi-Dhulian-Rajshahi route were added to the list of Indo-Bangladesh Protocol routes, along with four other new routes.

The cargo movement through these routes has not yet reached the desired mark. While Indian exports meet 11-12 percent of Bangladesh's total import needs (2016-17), India shares less than two percent of Bangladesh's export basket. In most cases, the vessels carrying goods travel from India to Bangladesh, return empty. This increases the cost incurred by private trading agencies. As a result, the involvement of the private sector from the Indian side in this segment remains limited. Recently, the Adani Group is considering connectivity with the Bangladesh market through small carrier vessels. However, many infrastructural issues are yet to be resolved.

The situation in Bangladesh is slightly different. Presently, the Bangladesh government has welcomed private sector investments in developing the ICT to ferry containers from Dhaka via river routes to seaports to avoid shipment delays caused by acute road congestion. The Rupayan Group and Summit Power have showed their interest in this, and have planned to start service shortly. Additionally, the government has approved the construction of two other ICTs 15 kilometres away from Dhaka, by the Meghna Group and the A. K. Khan group.

Moreover, Bangladeshi shipping lines have started moving containerised cargo from Kolkata to the inland river port of Pangaon; however, the volume still remains quite low. As of now, Pangaon (26 km away from Narayanganj on the river Sitalakkha) is the only ICT in Bangladesh. Presently, rice, crude oil, leather, cosmetics, medicines, and plastic are being ferried by Indian vessels to Bangladesh. This encourages economic linkage between the two countries. To increase the demand of using these waterways, sending cargoes like food grains and raw material for garments may be thought of by the Indian side.

It is also important to increase awareness among all stakeholders about the benefits of trade by waterways, for which a series of dialogues may be organised on both sides of the border. Bulk commodities, and large cargo used for industrial production and large-scale construction projects, can be transported through the inland waterways from Kolkata/ Haldia. The aim is to

connect India's Northeast with the mainland through the waterways of Bangladesh. The transit route from the Haldia port through Bangladesh to Assam and Tripura, and linking the Chittagong sea port with the southern tip of Tripura can be possible. The necessity of dredging, the lack of assured fairways, the lack of night navigation facilities, etc., are some of the pressing issues which have restricted the expected growth of cargo flow through the inland waterways.

Connectivity for Mutual Prosperity

West Bengal is positioned to be a major beneficiary of enhanced India-Bangladesh connectivity, both continental as well as maritime. Besides West Bengal, four Northeastern states - Assam, Meghalaya, Tripura, and Mizoram - share international borders with Bangladesh. 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 known as the 'Chicken's Neck corridor', which passes through a hilly terrain, with steep roads. 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.

Given the delays in the operationalisation of the Kaladan Multi-Modal Trade and Transit Project between India and Myanmar, the Ashuganj port of Bangladesh may be utilised as an alternative to the Sittwe port to revitalise trade routes to connect with India's Northeast. Presently, the possibility of using the Ashuganj riverine port in a big way is remote as the multi-modal connectivity of the port is still very poor. India could extend its help to expedite the process of development to make the Ashuganj port functional, where work is already in progress on the four-lane road project, aiming to ease the transportation of cargo from this port to Tripura and the other Northeastern states of India.

It is time that both the governments become proactive to finish already ongoing connectivity projects. Once the rail connectivity between Akhaura and Agartala is completed, and the Ashuganj port connected with this rail network, the transport cost and time will be reduced and, thus, the Ashuganj port will emerge as an alternative link for the Northeastern region with the rest of India as well as other destinations in Southeast Asia.

Indeed, India and Bangladesh have developed several protocols, MOUs, and SOPs to facilitate the development of fairways, ease of movement of

vessels, and the use of ports. In the last virtual Summit meeting held on 17 December 2020, both leaders reviewed the situation of ongoing bilateral connectivity measures and welcomed recent initiatives, including the signing of the second addendum to the Protocol, the trial run of the trans-shipment of Indian goods from Kolkata to Agartala via Chittagong, and the operationalisation of the Sonamura-Daudkandi Protocol route. Both leaders agreed to expeditiously operationalised the trans-shipment of Indian goods through the Chittagong and Mongla Ports. In the Summit meeting, India reiterated its request to the Government of Bangladesh of having at least one Land Port with a minimal negative list between each neighbouring states of India and Bangladesh, beginning with Agartala-Akhaura. On the other hand, Bangladesh proposed that Bangladeshi trucks avail of the Feni Bridge once completed, for the transportation of goods from the Chittagong port to India's Northeast.

Nonetheless, most of these initiatives are planned keeping the supply side in consideration. There is a need to make a more comprehensive analysis of the demand side which will capture the adequacy or inadequacy of ongoing and planned infrastructural development. In this context, an in-depth analysis of Origin-Destination may help identify possible products and sectors that might be shifted from the road to the inland waterways transportation system. It is also important to learn from international experiences on vessel design as well as vessel loading and unloading methods to have more cost effective and functional short sea shipping arrangements between India and Bangladesh.

Notes :

- ¹ https://www.pmindia.gov.in/en/news_updates/pms-remarks-at-the-india-bangladesh-virtual-bilateral-summit/ accessed 10 February 2021.
- ² https://mea.gov.in/bilateral-documents.htm?dtl/33306/Joint_Statement_on_India_Bangladesh_Virtual_Summit accessed on January 22, 2021, accessed 10 February 2021.
- ³ <https://www.mea.gov.in/press-releases.htm?dtl/32803/MISSION+SAGAR+A+major+Milestone+in+Indias+Engagement+with+IOR+Countries>, accessed 10 February 2021.
- ⁴ <http://sagarmala.gov.in/about-sagarmala/vision-objectives>, accessed 10 February 2021.
- ⁵ <https://mofa.gov.bd/>, accessed 10 February 2021.
- ⁶ https://mofa.portal.gov.bd/sites/default/files/files/mofa.portal.gov.bd/page/6aac40c8_cdc3_4418_8755_db68f0ec9d5a/Bangladesh%20Maritime%20Zone%20Act%202018%20Draft.pdf, accessed 10 February 2021
- ⁷ <https://www.jica.go.jp/bangladesh/english/office/topics/141105.html>, accessed 10 February 2021.

⁸ <https://www.mea.gov.in/Portal/LegalTreatiesDoc/BG15B2420.pdf>, accessed 10 February 2021.

⁹ <https://mea.gov.in/bilateral-documents.htm?dtl/5606/Trade+Agreement+Protocol+1+Nov+1972>, accessed 10 February 2021.

¹⁰ <https://www.indiacode.nic.in/bitstream/123456789/2159/1/A2016-17.pdf#search=National%20Waterways%20Act>, accessed 10 February 2021.

★ ★ ★