

## Concept Note

# International Conference on Indo-Bangladesh Multi Sectoral Cooperation

## Background

Bangladesh is one of India's premier ally since its formation in 1971. However, the recent year of 2015 had been incredible for the India-Bangladesh relations. The two South Asian neighbours achieved breakthroughs in many areas of bilateral relations, including implementation of the Land Boundary Agreement (LBA), granting of transit facilities to India's North Eastern states, broadening of cooperation in the energy sector, expansion of economic and security cooperation, increase of bilateral trade and signing of several agreements, especially up-gradation of cross-border connectivity and opening of new bus routes.

India's bilateral engagement with Bangladesh has reached a new height under the leadership of current Prime Ministers of the both the countries and the societies of the both the countries are committed for continuous improvement and strengthening of bilateral relationship.

India's Prime Minister Narendra Modi undertook a two-day visit to Dhaka in June 2015 and tried to fulfil many aspirations of the people of Bangladesh. Modi's ground breaking visit to Dhaka on June 6-7 took the India-Bangladesh ties to a new height. Both the sides inked as many as 22 agreements related to road, railways, waterways, business, security, trade, infrastructure, communication, science and technology and cultural cooperation. Boosting trade and connectivity especially people-to-people relations was the focus of Modi's visit. An elaborate 65-point joint declaration, *Notun Projonmo-Nayi Disha* (New Generation-New Direction) gave new boost to connectivity, economic cooperation and joint position on several regional initiatives.

Bangladesh is not only a co-member in SAARC but its importance to India for the much needed regional cooperation platforms like BBIN, BIMSTEC and IORA is immense. Apart from forming the hub in terms of connectivity between India and neighbouring nations in the East as well as India's North-East provinces, Bangladesh's importance as an economic partner has risen to greater heights in recent times. The geographically contiguous region sharing the South Asian identity offers new opportunities of economic prosperity driven by robust growth performance. However, the realisation of full potential of a credible economic partnership through trade and investment links has suffered in the region due to artificially imposed connectivity barriers linked with political developments in the post colonial era. Rising levels of income in the region however, generates necessary push to

dismantle status-quo and reinstate a strong and focused agenda of regional economic cooperation, connectivity and trade facilitation.

Bangladesh attaches very high priority to building closer economic links with India and significantly improving physical connectivity to facilitate trade across the border as it shares the longest land border with India almost encircling the nation. India has been supportive of Bangladesh and has over the years entered into lasting cooperation arrangements in power generation and cross-border supply and sharing of water in perennial rivers flowing from India to Bangladesh. The recent land border agreement has been a milestone achievement and has instilled new confidence into this relationship. The BBIN Motor Vehicle Agreement promises much improved road connectivity and Bangladesh has offered enthusiastic support to India in achieving this.

The idea of blue economy is providing an opportunity to re-connect our water ways. IORA is providing a platform to advance cooperative mechanisms in this direction. Recently, Bangladesh shipping minister Shajahan Khan launched the coastal shipping service between Bangladesh and India at the New Mooring container terminal at Chittagong port on March 23rd. The container vessel MV Harbour-1 took five days to reach Krishnapatnam port in India's east coast. Some of the recent agreements in the realm of maritime that have given new impetus to the bilateral engagement are as below:

- An agreement on coastal shipping, which seeks to promote two-way trade between the countries through ports
- Renewal of Protocol Inland Waterways Transit and Trade (PIWTT) for the use of both countries' waterways for commercial purposes and for the passage of goods between two places in one country and to third countries through the territory of the other.
- India and Bangladesh also agreed a deal on use of the Chittagong and Mongla ports for the movement of goods to and from India. Accordingly, Bangladesh will allow the Chittagong/Mongla to Agartala, Chittagong/Mongla to Dawki, and Chittagong/Mongla to Sutarkandi routes to be used.
- An agreement on blue economy and maritime cooperation in the Bay of Bengal and the Indian Ocean for capacity building, training and joint research collaborations, and setting up of a joint working group to further cooperation in this area.
- A deal was also agreed between the coast guards of the two countries to jointly ensure marine security and prevent crimes at sea.
- An agreement between India's Council of Scientific and Industrial Research and the University of Dhaka for joint research on oceanography in the Bay of Bengal.

Bangladesh is an important trading partner for India. In FY 2015-2016 India's exports to Bangladesh stood at US \$6.035 billion and US\$ 0.7 billion in imports with duty free access given by India to Bangladesh for all items except 25. While Bangladesh has often complained

of the large negative trade balance vis-a-vis India, exports from Bangladesh to India is growing at a high rate while the rate of growth of India's exports to the country has fallen to negligible levels. Two border haats are already operational with a few more on the anvil along the India-Bangladesh border.

Investment by Indian companies in Bangladesh continues to grow with the signing of bilateral Investment Promotion and Protection agreement. Recent media reports suggest that India has already invested \$3 billion in many projects and considering infusion of another \$11 billion and the total investment by Indian companies could go up to US\$ 25 billion. Prominent among these companies are Reliance Industries, the Tata Group, Ashok Leyland, Hero MotoCorp, Airtel, Marico, Godrej, VIP Industries, Ceat Tyres, Ambattur Clothing, Sahara, L&T and the Adani Group. While many projects in Bangladesh are being undertaken with Lines of Credit from India, Prime Minister's visit and announcement of additional US \$ 2 billion LoC for Bangladesh in June 2016 is expected to strengthen India-Bangladesh ties. For the first time in their post independence history, India and Bangladesh have established inter-grid connectivity for the flow of bulk power from India to Bangladesh. Prime Ministers of both the countries inaugurated the grid-connectivity; Bangladesh has started importing 500MW of Power from India since October 2013.

India is working closely to nurture cooperation between Indian states bordering Bangladesh and Bangladesh. India is also strongly committed to the objectives of the BIMSTEC and Bangladesh being the host country of the BIMSTEC Secretariat would remain an important partner country. India's willingness to effectively and substantively partner with BIMSTEC got reflected in India's move to invite BIMSTEC heads of States to the recently held BRICS Summit in Goa. India also seeks to utilize opportunities of regional cooperation not only for economic goals but also for effectively addressing local developmental challenges and creation of regional public goods to fulfil the SDGs. Bangladesh's successful experiments of addressing developmental gaps and India's models of people centric development offers opportunities of cooperation in this regard.

**This year of 2016-2017 has a special importance as it is the 45<sup>th</sup> year of Bangladesh's independence.** Under this backdrop ISCS is organizing this International Conference to be inaugurated on 23<sup>rd</sup> January.

This two-day International Conference will mark an important milestone in the roadmap towards strengthening the Indo-Bangladesh Cooperation in various sectors. This highly interactive event will provide information and working sessions on scope and schemes of bilateral cooperation in different sectors and thereby improve socio-economic stability in the sub continent.

The conference hosted by the Institute of Social & Cultural Studies (ISCS) is supported by different Ministries of Govt. of India.

## **Areas of Cooperation**

### **A) Security Aspects**

- 1) Border Security
- 2) Counter Terrorism

### **B) Economic Aspects**

- 1) Economic & Commercial ties
- 2) Energy Cooperation
- 3) Rail, Road & Waterways Connectivity
- 4) Tourism

### **C) Cultural & Social Aspects**

- 1) Literature and Culture
- 2) Women and Youth Empowerment
- 3) Minority Rights and Protection
- 4) Literacy and Education
- 5) Conservation of Environment

### **D) Mukti Juddha – 45<sup>th</sup> Year**