India – Bangladesh relations

What is the issue?

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- During the last decade of Ms. Hasina's tenure as PM, Bangladesh-India engagement has intensified.
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- With her recent electoral victory, India and Bangladesh must seize the opportunity to further enhance connectivity and trade ties.
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What are the present areas of co-operation?

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- **Connectivity** - India's 'neighbourhood policy' has focussed on Bangladesh, which has emerged as a key interlocutor in India's 'Act East Policy' and sub-regional groupings like BIMSTEC and the BBIN Initiative.
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- The Padma multipurpose bridge and the Akhaura-Agartala rail link will dramatically change connectivity within Bangladesh and with India.
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- Waterways are also being revived to reduce the cost of trade.
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- **Cyberspace -** Bangladesh has provided cyber connectivity between the international gateway at Cox's Bazar to Agartala for faster Internet connectivity in India's northeastern States.
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- **Energy** - India has also become a partner in Bangladesh's nuclear power programme, with the beginning of construction at the Rooppur nuclear power plant.
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- India is poised to export around 1100 MW of power to meet the energy deficit in Bangladesh.
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- Power projects totalling more than 3600 MW are under implementation by

Indian companies.
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- **Trade -** Bangladesh is India's largest trading partner in South Asia with an annual turnover of around $9 billion plus an estimated informal trade of around $8-9 billion.
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- To enable more Bangladeshi exports to flow into India, duty free entry was granted in 2011 under the South Asian Free Trade Area (SAFTA).
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- Also, a Special economic zone (SEZ) in Bangladesh for Indian manufacturing companies has been mooted and notified recently.
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- **Credit** - Indian investment in Bangladesh has reached $3 billion.
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- To offset the economic asymmetry, India has granted Bangladesh generous lines of credit (LOCs) and grants, with commitments reaching $8 billion.
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- While LOCs flow into infrastructure and connectivity projects, grants flow into social sector development.
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- Capacity building under the Indian Technical and Economic Cooperation programmewas also extended.
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- **Tourism** - Over a million visas are issued to Bangladeshi citizens by India annually.
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- Both countries have signed Revised Travel Arrangement 2018 (RTA 2018) for further liberalizing the visa regime, including enhanced duration for employment and student visas.
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- **Terrorism** - Bangladesh has denied support to Indian insurgent groups, with insurgent leaders handed over to India.
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- This has progressively built trust and confidence between the two countries.
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Where should the future focus lie?

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- The Rohingya issue has imposed a huge economic and security burden on Bangladesh.
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- India, on its part, published the draft National Register of Citizens in Assam to account genuine Indian citizens residing in Assam and to curb the flow of illegal migrants in the future.
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- Thus the illegal migrants issue, along with sharing of river waters, will require deft handling of bilateral ties between the two countries.
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- Also, China’s security and economic footprint has grown in South Asia and managing this will remain a challenge for both countries.
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- While Bangladesh is overwhelmingly dependent on military hardware from China, India has provided a $500 million LOC for procurement of defence-related goods from India.
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- However, this momentum must be maintained and intensified.
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Source: The Hindu

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