

BANGLADESH-BHUTAN-INDIA-NEPAL

DOSSIER OF CATALYTIC MULTIMODAL CONNECTIVITY INITIATIVES

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Bangladesh

Significance of Padma Bridge in South Asia's connectivity

Padma bridge will help Bangladesh improve its people's living standard, increase trade and commerce, and [fulfil its vision 2041](#) of transforming into a developed nation through increased connectivity.

CUTS COMMENTS

Impact on Multi-modal Connectivity

Padma Bridge will facilitate passenger bus services between India's West Bengal and the rest of Bangladesh by including new pickup and destination points and existing routes. Similarly, bilateral connectivity with landlocked Nepal and Bhutan will also increase. The [Padma Bridge Rail Link Project](#) would expand rail connections by integrating new areas from West Bengal to the rest of Bangladesh. India and Bangladesh can undertake rail connectivity projects to connect India's Northeast to West Bengal through Bangladesh directly.

Impact on BBIN Sub-region

The construction of the Padma Bridge has opened a whole new opportunity for [regional connectivity](#) in South Asia. It will facilitate India's access to its landlocked Northeastern region as it bridges Bangladesh's southwest and northeast parts, connecting India's West Bengal directly to the Northeastern part of India. It will significantly reduce the travel distance and time for India, generally taken through the Siliguri corridor known as 'chicken neck'.

Food for Thought

In a nutshell, Padma Bridge is not only a domestic development for Bangladesh; instead, it is also a leap stone for the connectivity of the region. The Bridge has the potential to contribute to the regional economy. Therefore, proper economic and diplomatic effort should be given to utilise the Bridge and improve overall connectivity, which would benefit others.

Bhutan

Connectivity leading to enhanced productivity for India and Bhutan

Connectivity brings [nations and people closer together](#), enhancing equality, and providing opportunities for social mobility, leading to dynamic and vibrant societies and economies.

CUTS COMMENTS

Impact on Multi-modal Connectivity

Diversifying away from the traditional pillars of development assistance and hydropower, India has strengthened its connectivity with Bhutan into new areas through an enhanced digital footprint via space technologies and high-speed internet. The Government of India is pleased to consider a Third International Internet Gateway, which will give a fillip to IT and IT-enabled services in Bhutan, in line with His Majesty's vision to harness technology for Bhutan's national growth.

Impact on BBIN Sub-region

The Third International Internet Gateway will give a fillip to IT and IT-enabled services in Bhutan and increase data availability and accessibility in the sub-region. This will open a new trade, commerce and investment avenues in the sub-region by enabling investment in digital infrastructures.

Food for Thought

Connectivity- now a vital pillar of the India-Bhutan relationship- supports economic growth and enhances resilience during disruptions, such as the COVID-19 pandemic. The NKN-DrukREN link supports effective distance education by enabling virtual classrooms. It is a timely step that will complement Bhutan's efforts to transform itself into a digitally connected and inclusive society under its 'Digital Drukylul' flagship.

India

National Logistics Policy and the need for freight-smart cities

The seamless movement of goods, services and people is the bedrock of any developed economy. The [National Logistics Policy](#) provides an overarching vision for India's logistics sector, requiring painstaking attention to detail, planning and execution. Essentially, India has shaped a two-pronged blueprint for a logistics superhighway. The first step was the PM Gati Shakti – National Master Plan for Multi-modal Connectivity, and the second was the National Logistics Policy.

CUTS COMMENTS

Impact on Multi-modal Connectivity

The National Logistics Policy (NLP) is a continuation of PM Gati Shakti Master Plan and thus is considered to work as a double engine. It will provide a [comprehensive agenda](#) for the cost-effective development of the entire logistics sector. The country's technologically enabled, integrated, cost-effective, resilient, sustainable and trusted logistics ecosystem will lead to accelerated and inclusive growth and bring efficiency in connectivity.

Impact on BBIN Sub-region

The improved logistics sector would widely enhance the [supply chain network](#) of the Indian market. The last-mile connectivity via improved infrastructure in India will also promote seamless transportation, boost trade with neighbouring countries, and further elevate national incomes.

Food for Thought

Due to the pandemic, many development procedures in the industry have been stopped, and the gross domestic product (GDP) dropped drastically. The better development of the logistics industry will increase the competitive advantage of Indian economic growth. The successful implementation of the policy will further encourage other countries to adopt the same.

Nepal

Nepal electricity exports to India surge to USD 56 million in the last 4 months

Nepal exported electricity worth over US\$56mn to India in nearly four months. As per the current plan, Nepal hopes to [earn more than 30 billion](#) Nepali rupees (US\$234mn) in the fiscal year 2023-2024 by selling electricity to India. According to the negotiations between Nepal and India, Nepal can sell electricity in the Indian market through competitive bidding.

CUTS COMMENTS

Impact on Multi-modal Connectivity

The electricity trade between India and Nepal will help foster better cooperation and mutual sharing of water resources between the two countries. The development of hydropower projects in Nepal will increase water flow to India, help irrigate lands, and promote waterways connectivity. Furthermore, [developing projects](#) will raise the supply of raw construction materials and enhance trade through multi-modal connectivity.

Impact on BBIN Sub-region

Electricity has emerged as Nepal's [seventh-largest export item](#), and India has been Nepal's only viable market for electricity trade so far. Since electricity trade with India is made in Indian Rupees (INR), Nepal's earnings from power export have contributed to maintaining its foreign currency reserves and reducing the trade deficit with India. Furthermore, India is expected to help build cross-border transmission lines between Nepal and Bangladesh for power trade. This will lead to mutual benefit for all the countries and enhance cooperation.

Food for Thought

As Nepal's principal buyer of exported electricity, India has refused to buy power produced by Chinese-built plants. Therefore, in recent years, Nepal has started to shift hydropower projects worth billions of dollars from [Chinese developers to Indian companies](#). This will reduce Chinese investments in Nepal and change the dynamics of investment in Nepal's energy infrastructure.

