

BANGLADESH-BHUTAN-INDIA-NEPAL

DOSSIER OF CATALYTIC MULTIMODAL CONNECTIVITY INITIATIVES

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BANGLADESH

Bangladesh-Myanmar Land Port on Cards

As part of ensuring the development of the Chattogram Hill Tracts (CHT), the government has planned to [set up a land port](#) at Ghungdoom of Naikhongchhari in Bandarban on the Bangladesh-Myanmar border.

CUTS Comments

Impact on Multimodal Connectivity

The land port at the Bangladesh-Myanmar border will be beneficial for the bilateral trade between the countries and will contribute extensively to increasing trade and commerce in the nation. The country will now be able to import essential commodities like wood, fish, dry fish and betel nut from Myanmar. Additionally, it can export locally produced products such as medicines via the proposed land port. This would be fruitful in developing tourism and generate local employment in the region.

This initiative could also be considered as a contributing factor for the Bangladesh-ASEAN [Free Trade Agreement \(FTA\) negotiations](#), which are underway. Furthermore, [Bangladesh has been showing interest](#) in joining the India Myanmar Thailand Trilateral Highway (IMT) for its trade enhancement with Southeast Asia. This can be further pursued and incentivised through this initiative.

Impact in the BBIN sub-region

Besides boosting bilateral trade between Myanmar and Bangladesh, the proposed land port will additionally facilitate trade between Myanmar and the entire BBIN sub-region. Nepal-Myanmar trade is [far from satisfactory, despite various MoU's and agreements](#). A direct road transport connection between Bangladesh and Myanmar will [simplify goods and cultural exchange](#) among Myanmar and Nepal through road connectivity via Bangladesh. Additionally, Bhutan can also contemplate using the land port for increasing its bilateral trade with Myanmar.

Food for Thought

Following Bangladesh's efforts to be included in the IMT highway, Bhutan and Nepal can further contemplate on initiatives that will give impetus to Myanmar and Thailand for including Bhutan and Nepal. This will open the entire sub-region to Southeast Asia for better trade and investment prospects.

BHUTAN

India-Bhutan to Open New Trade Routes to Enable Sub-regional Cooperation

India has agreed to Bhutan's request to open new trade routes for Thimpu's bilateral and transit trade with India [at four locations](#).

CUTS Comments

Impact on Multimodal Connectivity

Bhutan relies heavily on roadways for the movement of goods and people in and around the country. The four new trade routes between India and Bhutan are expected to boost bilateral trade and logistical efficiency via reducing time and cost for the movement of goods. The alternative trade routes will reduce traffic congestion at the Jaigaon-Phuentsholing route. Moreover, the bulk of Bhutan's foreign trade is through Kolkata and Haldia port due to their closeness to big Bhutanese cities like Thimpu and Phuentsholing. However, it has been highlighted that both these routes are in [poor conditions](#), thus, the need for new trade routes.

Impact in the BBIN sub-region

The proposed land routes would help extensively in boosting Bhutan's trade with Bangladesh through India. The Himalayan [country could utilise Chattogram and Mongla ports](#) for seamless movement of goods via India. This is particularly significant due to the [poor condition of the Kolkata-Phuentsholing corridor](#) which is utilised by the country for its trade with the rest of the world. Additionally, access to [Jogihgopa multimodal logistics park](#) for transshipment of goods within and from the sub-region will be easier.

Food for Thought

Increasing connectivity prospects through such initiatives have become essential for the member countries of the sub-region. [With the Indo-Bhutan rail link being expedited](#), additional trade routes through land and inland waterways could give fresh impetus for Bhutan's domestic process of ratification for the BBIN Motor Vehicles Agreement (MVA) possibly by working out mutually agreed-upon restrictions on cross-border vehicular movement with a focus on catering to developing railways and inland waterways linkages in the sub-region.

INDIA

Can Sahibganj Become the Mini-Rotterdam of East India?

Sahibganj of Jharkhand, located close to the Siliguri corridor on the banks of the Ganga, can be [transformed into a transit hub](#) for goods, energy and people, to and from east India, Nepal, Bhutan and Bangladesh.

CUTS Comments

Impact on Multimodal Connectivity

The convergence of [Road-Rail-River Transport](#) at Sahibganj through the new multi-modal terminal will connect this part of the hinterland to Kolkata, Haldia and further to the Bay of Bengal. Sahibganj will also get connected to the Northeast States through Bangladesh by the river-sea route. Other than coal, stone chips, fertilisers, cement and sugar are also expected to be transported through the terminal.

There is a proposal by the government to set up a [Freight Village](#) near the Sahibganj terminal. The freight village will be on the lines of the existing terminal where more value-added services will be provided such as packaging, banking, financial services, and ship-related services including repairs, etc. Even the industries can also set up their related units in the freight village.

Impact the in BBIN sub-region

The terminal will be handling international cargo including [Nepal's inbound container cargo](#) from Haldia. Containers can be brought from Haldia or Kolkata to Sahibganj through the waterway and from Sahibganj it can be taken to Biratnagar ICD of Nepal. The move will also bring about a significant reduction in logistics cost and lead to faster delivery of [Bangladesh export](#) cargo.

Food for Thought

The government's effort is to provide a big boost to the inland waterways in the country to enable local trade to transport their goods cost-effectively to benefit from global trade activities. Biratnagar and parts of eastern Nepal including Kathmandu are close to Sahibganj. If roadway links for trade and transit between these two junctions are developed, Nepal can extend its movement of goods through the Sahibganj Multi-Modal Terminal. Goods from Nepal can reach Sahibganj and thereafter can be sent to Bangladesh through the Dhulian-Rajshahi stretch. There are several existing and proposed RO-RO services that can be used to reduce the time and cost significantly, encouraging traders and exporters to use a multi-modal transportation system.

NEPAL

Nepal to Fast-Track Rail Connection from Kathmandu to India

In a major boost to [rail connectivity between India and Nepal](#), both the countries have agreed to fast-track the construction of a rail line from Kathmandu to the Indian mainland.

CUTS Comments

Impact on Multimodal Connectivity

India is Nepal's one of the biggest trading partners. The railway link between Kathmandu and Raxaul is very crucial for end to end and intermodal connectivity between the countries. The railway is succinctly placed owing to its reach to Birgunj dry port, [upcoming international airport at Nijgadh](#) and that in Kathmandu. This rail link gives Nepal deeper reach to India's mainland and with other neighbours. This will also give an impetus to private partnership and commercial upsurge between the countries.

Impact in the BBIN sub-region

Raxaul in Nepal's gateway to India and a lot of road transport traffic between Birgunj and Raxaul shifted to the rail link by [broad gauging and extending rail links to Nepal](#) to increase the logistics performance (in terms of transit time, cost and ease of custom procedures) of the route. Bangladesh could also aim at increasing its trade with Nepal through Raxaul-Kathmandu rail link.

Food for Thought

Raxaul-Kathmandu can prove to be a very strategic move amidst China's energetic initiatives like the [Trans Himalayan Multi-Dimensional Connectivity](#). Further, streamlined procedures, developing infrastructure and carrying out survey analysis to understand intermodal linkages can prove to be very useful in keeping detrimental outside forces at bay. Nepal and India had agreed to conduct a feasibility study of the rail link during the 4th BIMSTEC Summit held at Kathmandu in 2018. [Kathmandu-Raxaul rail link will substantiate also BIMSTEC](#) which will give more thrust to India's Act East Policy to revive the historical links with ASEAN.

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