



BANGLADESH-BHUTAN-INDIA-NEPAL

DOSSIER OF CATALYTIC MULTIMODAL CONNECTIVITY INITIATIVES

Joining Dots • Connecting People • Shared Prosperity

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BANGLADESH

Imports by trains through Benapole rise remarkably

Imports of goods by trains through Benapole port have [significantly increased during the prevailing coronavirus pandemic](#), necessitating the railway authorities to start infrastructure development quickly.

CUTS Comments

Impact on Multi-modal connectivity

In Bangladesh, the suboptimal railway infrastructure has always been a discouraging factor for traders to engage in import-export via rail. However, the country has witnessed a [recent surge in imports via rail](#). This has been a catalytic force for improving the rail infrastructure, especially at the Benapole land port.

The Petrapole-Benapole road route is the busiest trade route between India and Bangladesh and is often characterised by heavy delays, high costs due to suspension charges and lengthy regulatory formalities. Thus, the shift towards railways for import through this land port will prevent these. With a well-established road network and the upcoming rail infrastructure in the country can boost trade and connectivity within and around Bangladesh.

Impact in the BBIN sub-region

[Several traders opine](#) that trade through rail between India and Bangladesh is beneficial and profitable compared to importing or exporting through road. Additionally, given the current pandemic situation, railways is also safer compared to roadways. Thus, the shift towards railways will increase import trade with India and the rest of the countries in the sub-region.

Food for Thought

The immediate implementation of development projects to enhance the railway infrastructure in Bangladesh will initiate a shift towards the railways from roadways. Therefore, moving further, the country can contemplate enhancing railway infrastructure at other entry points in the country to maintain seamless and resilient trade with Bangladesh.

BHUTAN

Bhutan to explore railway connectivity with Bangladesh through India

The [Haldibari-Chilahati railway link](#) between India and Bangladesh will serve as a potential route for the movement of duty-free goods between Bhutan and Bangladesh.

CUTS Comments

Impact on Multi-modal Connectivity

This newly re-opened route will enhance rail network accessibility to main ports, dry ports, and land borders. The route will help boost trade, as well as trans-border railway connectivity. This route will reduce the hurdles Bhutan faces while transporting goods by road and cut down transportation costs and time involved. [This rail link is further extended till Darshana connecting Chilahati-Parbatipur-Santahar-Darshana](#). The rail route would ensure that India, Nepal and Bhutan will have direct rail access to the Mongla port in Khulna, Bangladesh, the second busiest seaport in Bangladesh.

Impact on BBIN Sub-region

The newly opened railway route will be beneficial for transit into Bangladesh from the states of West Bengal and Assam. The 75-km long track will help better integrate the rest of the country with the Siliguri corridor, also known as the '[Chicken's Neck](#).' This corridor connects India with its North-eastern states and [opens up connectivity between New Delhi with the north-eastern part and other bordering countries](#). This rail link will also connect Hasimara station in Bhutan with Mongla and Chittagong seaports via a transit link between Chilahati and Syedpur.

Food for Thought

There need to be more such railway initiatives between the BBIN countries to strengthen their economic ties. Rail routes are far more cost-effective and hurdle-free than roadways. Presently, India and Bangladesh have re-opened five new rail routes to enhance trade and strengthen their bond. Connectivity through rail, road and water will help in integrating the BBIN sub-region efficiently. With the help of such connectivity initiatives, the North-Eastern part of India will become more developed. This part of the country plays a crucial role in trade, but lack of infrastructure and proper connectivity linkages benefits remain unutilised.

INDIA

Cost-effective, clean, and optimised freight transport system key for India's growth

Improved rail mode share, logistics efficiency and clean vehicles are [within India's reach](#) and will be cost-effective, clean and will improve mode share and operational efficiency- NITI Aayog and RNI report titled "Fast Tracking Freight in India".

CUTS Comments

Impact on Multi-modal connectivity

Fast Tracking Freight in India envisions three opportunities in India to shift to an efficient freight paradigm- increase the mode share of rail transport, optimum truck use and promote efficient and alternative fuel technology. According to the report, India can reduce its logistics cost by INR 10 lakh crore in 2022 by improving freight efficiency while decreasing its freight-related CO₂ emissions by 52 per cent in 2050. The enumerated measures will help in reducing the skewed modal mix of transportation dominated by road and the high logistics cost associated with it.

Impact in the BBIN sub-region

Bangladesh, Bhutan and Nepal depend on India heavily for transit and transportation. Improving the modal mix of transportation, logistics efficiency and promoting clean vehicles in India will improve these factors in the BBIN sub-region. It will act as a contributing factor to promote trade in the sub-region.

Food for Thought

The report provides several suggestions to achieve the objectives of the freight transport ecosystem. Implementing multi-stakeholder collaboration of industries and the government in a phased manner is critical to this transformation. The aim is to improve existing network infrastructure and identify and upgrade corridors with high potential for intermodal transport and ensure better modal integration across rail, road, and water. The approach will bolster domestic manufacturing, enhance international competitiveness, improve air quality and road safety, meet India's ambition and contribute to regional integration.

NEPAL

10 roads built with Indian grant inaugurated in Nepal's Terai

Indian Ambassador to Nepal Vinay Mohan Kwatra and Nepal Minister for Physical Infrastructure and Transport Basant Kumar Nembang jointly dedicated [the roads to the people](#) of the Himalayan nation.

CUTS Comments

Impact on Multi-modal connectivity

The roads are located in seven border districts of Province 1, 2 and 5 and connect major towns located on the East-West highway along the India-Nepal border. Each road is seven-metre wide with two-metre shoulders. The motorways also include drainage, footpaths, railing, road signage, markings, among other fittings. Under the project, over 652 culverts and over 111 km of drainage work have also been built. These roads have [helped strengthen road infrastructure](#) in the Terai region of Nepal.

Impact in the BBIN sub-region

The ten roads are built using Indian grant assistance of Rs 800 crore in Terai under the 'Government of India funding and Government of Nepal implementation' modality. The roads also complement the other major border infrastructure developed by India in Nepal, such as Integrated Check Posts at Birgunj and Biratnagar and across border railway lines. The Government of India has also funded a cross-border railway line between Jaynagar in India and Kurtha in Nepal, which is completed and ready for handing over to the Government of Nepal for running passenger train operations by Nepal. Initiatives like these will help boost people-to-people connectivity between the border areas of the two countries.

Food for Thought

The roads will enhance multi-modal connectivity and lead to an easy and efficient flow of goods and services between the countries. All the projects towards connectivity are endeavours towards making the BBIN region more connected to each other.

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