

BANGLADESH-BHUTAN-INDIA-NEPAL

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BANGLADESH

Eyes on the multi-modal connectivity for better sub-regional integration

Sub-regional connectivity initiatives, such as Bangladesh, Bhutan, India and Nepal Motor Vehicle Agreement (BBIN MVA) can be [fully optimised](#) if the national development plans relating to connectivity infrastructures are considered and linked with the partner countries.

CUTS Comments

Impact on Multi-modal Connectivity

Suppose the national development plans of each country in the BBIN sub-region consider and link with the plan of their sub-regional partners. If the projects of countries in the sub-region are well aligned and if the standards are the same, it can avoid barriers for seamless connectivity. In that case, they can lead to the seamless implementation of multi-modal connectivity and thus efficient sub-regional integration.

Initiatives, such as the BBIN MVA have the potential to transform the existing picture of transportation and trade in the sub-region. If equipped with correct policy measures in the sub-region, the agreement can accelerate the economic integration of the BBIN sub-region, thus pushing for greater multi-modal connectivity.

Impact in the BBIN Sub-region

Implementing multi-modal connectivity in the sub-region will boost intra-regional trade by facilitating the seamless movement of commodities across the borders. It will also help the landlocked members in the BBIN sub-region. Initiatives, such as the BBIN MVA, can [cut the time and transportation cost](#), strengthening the competency of the sub-region in logistics. It will further bring welfare gains to the people of the sub-region by reducing the cost of living.

However, the successful implementation of the agreement would require synchronisation of policies in the sub-region. Apart from logistical movements, the synchronisation would further facilitate trade and other related activities in the sub-region.

Food for Thought

Although discovering new multi-modal routes will boost Bangladesh's economy, developing and strengthening existing routes are also necessary to promote seamless connectivity in Bangladesh and the sub-region.

BHUTAN

Gelephu transporters call for change in import protocol

Contractors and transporters from Gelephu transported about six trucks of construction materials and essentials on two different occasions. Still, these were stopped at least for two days before allowing them into Gelephu. This is because the existing [COVID-19 protocol](#) allows only the trucks involved in exporting boulders and Indian trucks to transport import consignments in Gelephu.

CUTS Comments

Impact on Multi-modal Connectivity

Import protocols that are easier to understand and consider the concerns of involved stakeholders will aid in implementing multi-modal connectivity in the sub-region. The current import protocol is creating disruptions for the Bhutanese transport operators. These instances create a skeptical atmosphere amongst the stakeholders and delay rectifying and implementing regional agreements, such as BBIN MVA.

Impact in the BBIN Sub-region

The restriction on Bhutanese transporters by the Bhutan government creates tension amongst the local stakeholders and communities involved in intra-regional trade and related activities. These types of conditions in the protocol will lead to an increase in logistics cost and thus will negatively impact the cost of living for people in the country.

Food for Thought

The absence of clarity and asymmetries in the trade and transport protocols will have a negative impact on the implementation of seamless transport connectivity in the sub-region. It is also important to keep the local stakeholders and communities into consideration and consultation during policymaking.

INDIA

PM Modi unveils Rs 100 lakh crore Gati Shakti plan to boost infra

Prime Minister Narendra Modi has determined Rs 100 lakh crore to Gati Shakti Master Plan that endeavour [multi-modal connectivity](#) to more than 1,200 industrial clusters. The project aims to improve efficiency by optimising the necessary infrastructure and reducing logistics costs.

CUTS Comments

Impact on Multi-modal Connectivity

The PM [Gati Shakti](#) National Master Plan for multi-modal infrastructure connectivity to economic zones includes existing flagship schemes of different ministries, such as Bharatmala, Sagarmala, Udaan, expansion of railway network, inland waterways, and Bharat Net. The plan will improve infrastructure and supply chains and bring efficiency in connectivity.

Impact in the BBIN Sub-region

The connectivity via improved infrastructure in India will also promote seamless transportation in neighbouring countries and further raise their national incomes. For example, seamless connectivity between India and Bangladesh may [boost](#) Bangladesh's income by 17 per cent, according to the World Bank.

Food for Thought

The Gati Shakti National Master Plan is a great initiative capable of making the logistics sector in India efficient and competitive. It will give the required boost to the manufacturing sector and infrastructure development in the country. Even though the centralised approach tends to bring efficiency and optimisation in implementing planned and existing projects, it is also essential to engage local and state authorities well acquainted with the grassroots level's problems and requirements.

Other countries in the sub-region can also consider similar plans that will break down silos within government and create a culture of constant interaction and collaboration among different agencies of government.

NEPAL

India, Nepal ease cargo movement rules

India and Nepal have agreed to [allow cargoes](#) in all categories through wagons to carry freight on the Indian Railways network within India and to and from Nepal. The liberalisation will mainly reduce transportation costs for automobiles and certain other products whose carriage takes place in special wagons and will boost rail cargo movement between the two countries.

CUTS Comments

Impact on Multi-modal Connectivity

The signing of the Letter of Exchange to the India-Nepal Rail Services Agreement (RSA) 2004 will boost the rail cargo movement between these two countries. As per Indian Railway standards and procedures, wagons owned by Nepal Railway Company will be authorised to carry Nepal-bound freight (inbound and outbound on Kolkata/Haldia to Biratnagar/Birgunj routes). This development ascribes another breakthrough in India's efforts to improve regional connectivity under its Neighbourhood First policy.

It will also allow authorise public/private cargo train operators, automobile freight train operators, special freight train operators or any other operator authorised by Indian Railways, to utilise the Indian railway network to carry Nepal's container and other freight — both bilateral between Indian and Nepal or third country from Indian ports to Nepal. Thus, it will encourage and boost private sector involvement in the transport and connectivity development in the region.

Impact in the BBIN Sub-region

The signing of the Letter of Exchange between India and Nepal will reduce the transportation costs for automobiles and other products whose carriage takes place in special wagons. The easing of cargo movement rules between the countries will boost inter-regional trade within the BBIN sub-region. It will further generate employment and economic opportunities.

The authorisation optimises the Indian railway network to carry all containers bound for Nepal, whether bilateral freight between Indian and Nepal or third country freight from Indian ports to Nepal. The agreement will also enable Indian private operators to transport Nepal-bound cargo from Kolkata and Visakhapatnam ports.

Food for Thought

The liberalisation in India and Nepal cargo movement is anticipated to boost the connectivity in remote areas of Nepal that may become significant ports in the upcoming years. Furthermore, it will encourage the private sector to invest in the logistics sector. This set the path for future initiatives of the exact nature in the sub-region. It is important to note that the involvement of the private sector is vital for the optimisation of logistics and sustainability of the supply chain.

