

BBIN Motor Vehicles Agreement

Will it be an instrument for a sustainable, inclusive and resilient economic transformation?

22 March 2021

Monday
3:00-5:00 PM (IST)

Moderator: Bipul Chatterjee (Executive Director, CUTS International)

Speakers: Absar Alam (Assistant Professor (Economics)), MKS College, LN Mithila University, Darbhanga, Bihar), **Arun Roy** (Former Chief Engineer, Inland Waterways Authority of India), **Syed Manowar Hussain** (Former Secretary, Bangladesh Inland Water Transport Authority)

Panellists: Satish Reddy Consultant (Regional Cooperation and Trade Facilitation, Regional Cooperation and Operations Coordination Division, Asian Development Bank), **Fahmida Khatun** (Executive Director, Centre for Policy Dialogue), **Ataur Rahman** (Secretary General, International Chamber of Commerce, Bangladesh)

1. Introduction

- 1.1. Bangladesh, Bhutan, India and Nepal Motor Vehicles Agreement (BBIN MVA) was introduced in 2015 but has not been implemented yet because of various technical and geopolitical issues faced in the sub-region. The Government of Bhutan is yet to ratify the agreement on possible environmental impact after its implementation.
- 1.2. Trade cannot accelerate until the physical and regulatory connectivity issues are ironed out. BBIN MVA is a stepping stone for a holistic multimodal connectivity framework.
- 1.3. BBIN MVA has enhanced the development of structural and operational cohesiveness between inter-modal transport and industrial corridors. There is immense economic potential to implement the BBIN MVA and integrate the logistics and industrial corridors with multimodal transport routes, especially via inland waterways.
- 1.4. Given this context; this webinar deliberated upon two CUTS publications:
 - 1.4.1. [BBIN Motor Vehicles Agreement: Scope for developing integrated logistics and transport infrastructure and other related services](#)
 - 1.4.2. [Linking Inland Waterways with Industrial Corridors and Logistics Parks for Economical and Ecological Freight Movement in the BBIN Sub-region](#)

2. Key Takeaways

- 2.1. Various recommendations were provided for the implementation of BBIN MVA and establishing intermodal logistics and regional transport facilitation. It included implementing harmonised cross-border services, such as insurance, repair of vehicles, etc., developing and integrating intermodal logistics centres along the designated transport corridors through private sector participation and transport corridors as economic corridors in the sub-region.
- 2.2. BBIN sub-region should adopt containerisation and computerisation to achieve optimum utilisation of its existing supply chain networks and provide technology-driven logistics services via logistics parks and centres.
- 2.3. An active multimodal transport route can be planned by connecting nodal points on the existing protocol route with industrial and logistics hubs. The route proposed connects Kolkata-Haldia-Mongla-Chattagram-Pangaon-Bagabari-Narayangunj-Dhaka-Ashugunj. Once this route is developed, it will serve the landlocked countries of Bhutan and Nepal with the help of inland waterway transport and give access to sea routes. Thus, the proposed route can provide multimodal connectivity to all BBIN countries.
- 2.4. The three components needed for an excellent multimodal movement are fairway, vessels and terminal. The terminal and fairway in the first half of the stretch mentioned above is navigable and developed than the second half of the stretch. Unfortunately, there is only one vessel that can carry containerised cargo introduced by the Inland Waterways Authority of India, which can carry hardly 18 containers. There is a need to have containers with a capacity of 2500 tonnes for an economical movement.
- 2.5. Various areas need the participation of government and private players. The government should provide terminals with container handling facilities, rail/road connectivity, navigability with stability and marking for 24*7 movement, electronic documentation, etc. It will be a profitable business for the private parties to step in to provide smooth movement of cargo with last-mile connectivity, appropriate barges, real-time monitoring, etc.
- 2.6. There is a need to address specific issues in specific areas, in order to implement multimodal connectivity in the BBIN sub-region. Demand from exporters, importers and freight forwarders is a requisite for optimal operationalisation and usage of infrastructure. Various concerns of stakeholders such as truck drivers, etc., need to be addressed.
- 2.7. Building adequate physical and non-physical infrastructure is essential, but the stakeholders must be aware of the same. BBIN MVA has received a positive response on the policy level, but it is not in place at the ground level. The [TIR Convention](#) also plays a critical role for the BBIN sub-region in operationalisation of the BBIN MVA. MVA can play a colossal role in supporting multimodal initiatives and facilitating trade at large.
- 2.8. Many efforts have remained unfulfilled due to a lack of political will. Hence, despite the potential, BBIN has remained the least integrated. Building trust among countries and

stakeholders, harmonisation, standardisation and security are also visceral to implementing the agreement by facilitating the smooth cross-border flow of goods. It is established that trade has a lot of appetite, but more enthusiasm and political will is required to implement the agreement.

- 2.9. The three pillars for focusing on integrating the BBIN Sub-region are: Investment, Trade and Connectivity. Alliances, such as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), can also supplement the initiatives taken in this region.
- 2.10. The Asian Development Bank played a pivotal role in developing the agreement. The agreement was signed in June 2015, enabling an exchange of traffic rights for passengers and cargo. The agreement has several safeguards keeping in mind the difference in the size of economies.

3. Concluding Remarks and Action Points

- 3.1 The BBIN MVA has enormous potential of increasing trade, connectivity and integrating the sub-region. However, due to lack of synchronisation and knowledge among stakeholders, mistrust and other practical reasons, the agreement has come to a standstill.
- 3.2 Once the issues mentioned above are ironed out and the agreement is implemented, it will serve the landlocked countries like Nepal and Bhutan to gain more access for trade and other business activities.
- 3.3 The implementation of the agreement will increase the interest of the private sector and encourage industries to increase investment in this sub-region as the agreement will prove to be a stepping stone to boost multimodality by integrating inland waterways.
- 3.4 CUTS will be creating a matrix of concerns and apprehensions of the stakeholders and safeguards towards those apprehensions. It will then be translated into Bangla, Hindi and Nepalese to reach out to relevant stakeholders to create awareness about the agreement. This will be a significant step ahead in creating demand for the supply-side initiatives.
- 3.5 CUTS will also conduct coordination, consultation and dialogue meetings to involve various agencies, stakeholders, bureaucrats, etc., for creating synchrony between and within countries.

Press Release: <https://cuts-citee.org/renewed-political-resolve-and-optimism-needed-to-realise-the-potential-of-the-bbin-motor-vehicles-agreement-cuts-international/>

Media Coverage: <https://economictimes.indiatimes.com/news/india/political-resolve-imperative-to-realise-potential-of-bbin-indo-pacific-connectivity/articleshow/81645899.cms>

YouTube Link: <https://youtu.be/R-vzP1UH68Y>