

Transboundary Rivers of South Asia (TROSA)

Stakeholder Consultation on “Engaging the private sector for inclusive cross border navigation and trade in the Meghna river basin”

14th June, 2021; 3 pm – 5 pm (IST)

Event Report

1. Background

In the run up to the Meghna Knowledge Forum 2021 (organized by IUCN), to be co-convened by CUTS from 22nd – 24th June, 2021 an internal stakeholder consultation was conducted by CUTS International with approximately 30 experts and key stakeholders from India and Bangladesh who are interlinked with the Meghna basin for trade and livelihoods. The objective of the session was to bring together the voices of business communities, government authorities and traders from India and Bangladesh to explore opportunities and challenges for cross-border trade through waterways in the Meghna basin.

The stakeholder consultation was organised under the regional programme TROSA¹ and specifically focused on the riverine stretches between Karimganj - Ashuganj (under Indo-Bangla Protocol Route 3 & 4) and Sonamura - Daudkandi (under Protocol route 9 and 10).

The key narratives, problem statements and policy recommendations, that emerged from this consultation will be presented at a side event of the Meghna Knowledge Forum 2021 on June 23, 2021, to build consensus among policymakers, the private sector and other stakeholders on the imperatives of inclusive cross border trade.

This report lists down the major themes covered in the discussion and the action points to be taken forward for the Meghna Knowledge Forum. The list of participants is annexed to the report.

¹ TROSA programme by Oxfam aims to contribute to poverty reduction among vulnerable riverine communities in the transboundary river basins of Ganges-Brahmaputra-Meghna (GBM) in Nepal, India and Bangladesh and the Salween in Myanmar through increased access to and control over riverine water resources. Retrieved from <https://cuts-citee.org/pdf/promoting-trade-and-tourism-in-transboundary-waterways-of-meghna-basin.pdf>

2. Major themes of discussion

2.1 Challenges related to navigability and depth of riverways

- Until the 1980s the Kushiyara, Barak, Gumti and other rivers of the Meghna river basin were frequently used for carrying out trade of stones, tea, jute and other products through waterways. However, due to excessive siltation the river routes have become less frequently used over the years. One of the main challenges in both the river-based routes of Karimganj-Ashuganj and Sonamura-Daudkandi is poor navigability and river depth which makes movement of vessels difficult during a greater part of the year and especially during the lean season. While small vessels of 500-600 MT can still be operable in these riverine stretches of the basin, larger vessels of around 1000 MT can operate only during the rainy season. This is one of the key challenges faced by traders or businessmen in their endeavours to conduct waterways based cross-border trade in this basin.
- Capital dredging for expanding existing channels or creating new navigation channels, has been used from time to time by both India and Bangladesh as a stop gap solution. However, it is not a sustainable long-term solution. One of the reasons for that is frequent course changing of the rivers.
- Short term solutions for enhancing trade through these waterways could be through the use of smaller vessels which can easily navigate through these routes. However, long-term solutions would require a more comprehensive approach by both countries to tackle the issue of siltation through a combination of dredging, channel creation and fortification of riverbanks amongst others.

2.2 Challenges related to infrastructure and logistics

- A large number of road and rail bridges along the river routes has led to the challenge of low vertical clearances which becomes a deterrent for movement of medium or large sized vessels. Additionally, several bridges are old and require necessary maintenance to avoid untoward accidents during vessel movement on the routes. These hurdles make it difficult for bulk cargo to be transported along these river routes and hence is a pain point for cross border trade occurring in this region.
- Ports of call along the routes such as the Karimganj Steamer Ghat face challenges of outdated infrastructure and logistics facilities. A significant height difference between the river bank and the vessel makes the loading-unloading from vessels time-consuming and costly for traders. Hence this increases their transportation costs, making it more viable for them to choose land routes. To tackle this, the port infrastructure needs to be modernised along with a provision for conveyor belts and cranes. Further, in case of Karimganj-Ashuganj route, the Badarpur Port² may be developed and utilised for enhancing trade
- Bangladesh has specialised barges to operate on these river-routes as the river-sea vessels are not easily navigable due to unavailability of required LAD³. However, India is currently not operating such specialised vessels making it a less competitive venture for the private sector players in India to take up waterways-based trade. The need of the hour is for India to invest in building specialised vessels for the river routes. These

² Badarpur Port has been declared as an 'Extended Port of Call' as per the 2nd Addendum to 'Protocol on Inland Water Transit and Trade'. Retrieved from http://shillongcustoms.gov.in/english/wp-content/uploads/2020/06/facility_012020_19062020.pdf

³ Least Available Depth

efforts should be channelised through the public sector, while the private sector follows the example to enhance facilitation of cross border trade. Additionally, small vessels need to be registered with relevant authorities and older vessels need adequate retrofitting and upgradation to improve their utilisation capacity.

2.3 Challenges related to connectivity

- Development of the river routes in the Meghna basin will require subsequent efforts to ensure seamless connectivity with road or rail routes for taking the cargo to designated locations. However, the existing ports do not have well developed multi-modal connectivity systems in place. For example, movement of goods from Karimganj Steamer Ghat has to be through congested city routes which becomes a time and cost deterrent. Thus, there is a need for Governments of both India and Bangladesh to invest in developing ancillary services like betterment of roads, ICT connections, and multi-modal connectivity to effectively revive these river routes.
- Currently, very few transboundary river routes in the Meghna Basin are operational, including the Karimganj-Ashuganj and Sonamura-Daudkandi routes. However, there are several other river routes along the Meghna basin which are unutilised or underutilised possibly due to regulatory issues, lack of infrastructure and institutions, limited awareness or geopolitical factors. These can be developed to create a larger network of river routes which may promulgate cross-border trade between the North-Eastern states of India and Bangladesh. For example, the Jadukata and Umngot/Piang rivers connecting Meghalaya and Bangladesh and the Karnaphuli river connecting Mizoram and Bangladesh can be used for enhancing cross-border trade of local products such as ginger, handloom fabrics etc.

2.4 Challenges related to volume of trade and feasibility of businesses

- The most critical stakeholder responsible for boosting cross-border trade is the private sector i.e., entrepreneurs and traders. However, for the motivation of the private sector to adopt waterways for transporting goods depends on factors such as cost, predictability, convenience, incentives and infrastructure. Currently, the Karimganj-Ashuganj and Sonamura-Daudkandi river routes do not fare well on each of these factors. This is one of the major reasons why there is a low volume of trade taking place through these waterways. Consequently, the low volume of trade causes lower motivation amongst private players, creating a vicious cycle. Thus, the need of the hour is for India and Bangladesh to focus on improving the ease of doing business through waterways routes and introducing innovative business models for encouraging more private players to invest in cross border trade through waterways.
- In the last decade the basket of commodities being traded across India and Bangladesh, in the Meghna basin has remained limited, and largely unchanged. Thus, in order to boost the volume of trade there is a need to expand the export and import basket of commodities. Along with that there is a need for Bangladesh and the North-Eastern states of India to study the potential of different local commodities and feasibility of their transport through waterways and defining key commodities and trade opportunities for both India and Bangladesh.

2.5 Challenges related to awareness

- While efforts are being made by both Indian and Bangladeshi authorities to explore waterways-based trade and several trial runs are being conducted to that end, there is limited traction amongst private stakeholders to utilise these opportunities. This is primarily due to lack of awareness amongst the business community regarding the characteristics, procedures and most importantly benefits of using waterways for trade. Thus, there is a need to effectively communicate the advantages of waterways-based trade to the private sector stakeholders and generate traction amongst them. Initiatives may be taken by various chambers of commerce and industrial associations located in the Meghna basin to organise dialogues and awareness generation meets with relevant stakeholders including specific initiatives for women entrepreneurs.

2.6 Potential opportunities for local communities and women entrepreneurs

- Cross-border trade through the transboundary rivers in the Meghna basin has a tremendous potential of boosting the lives and livelihoods of the communities especially women residing in the basin. Indigenous products such as medicinal plants, local fruits and vegetables, handicrafts and handlooms and cosmetics could be possible commodities which may be exported or imported. Regular trading through waterways will provide local small entrepreneurs, especially women entrepreneurs with low-cost options for a wider market outreach. Additionally, schemes such as ‘Jibondinga’ in Assam, which provides opportunities financial incentives to local micro-entrepreneurs including women entrepreneurs may be used as inspiration for initiating cross-border efforts to this end.
- Though India receives a large volume of tourists from Bangladesh on a regular basis, there is limited movement related to tourism between North-East India and Bangladesh. However, given the great potential of tourism in the Meghna basin, it can be used as a critical tool to boost livelihoods in the basin region. Historical and religious monuments located along the basin, may be promoted for this purpose.

3. Action Points for presenting at Meghna Knowledge Forum 2021

Based on the key themes of discussion, the following recommendations can be taken forward and discussed at the side event being organised by CUTS at the Meghna Knowledge Forum 2021.

- Appropriate short-term and long-term initiatives for improving navigability along the Karimganj-Ashuganj and Sonamura-Daudkandi routes in the Meghna basin
- Necessary technical and infrastructural upgradation of ports and ancilliary infrastructure along the Karimganj-Ashuganj and Sonamura-Daudkandi routes in the Meghna basin
- Building of specialised vessels for operating on the specific inland waterways and ensuring connectivity in the trade routes
- Fast-tracking creation of multi-modal and multi-river connectivity systems for ensuring seamless trade operations
- Provision of incentives and schemes to private sector players for enhancing ease of doing business through waterways



- Commissioning of necessary studies for expanding basket of commodities that can be traded between India and Bangladesh through waterways in the Meghna basin
- Provision of adequate support for local entrepreneurs and women entrepreneurs for boosting livelihoods of communities residing in the Meghna river basin

Annexure: List of Participants

Sl no.	Name	Designation and Organisation	Country
1	Biswajit Chakrabarty	Regional Director, FICCI, North East	India
2	Subimal Bhattacharjee	Director, Jookto	India
3	M L Debnath	President, Tripura Chamber of Commerce	India
4	Niranjan Roy	Professor, Department of Economics Assam University	India
5	Sujit Chakraborty	President, Centre for Aquatic Research & Environment (CARE), and, Bureau Chief Indo-Asian News Service (IANS)	India
6	S.M.Farid	Trade & Investment Consultant Founder Director Northeast India - ASEAN Chamber of Commerce	India
7	Dolly Khonglah	Secretary, Meghalaya International Exporters Chamber of Commerce (MIECC)	India
8	E Banlumlang Blah	President North East India Tourism Confederation (NEITC), President Tour Operators Association of Meghalaya (TOAM)	India
9	Selima Ahmed	President Bangladesh Women Chamber of Commerce and Industry (BWCCI)	Bangladesh
10	Syed Monowar Hussain	Former Director Bangladesh Inland Water Transport Authority (BIWTA)	Bangladesh
11	Shalah Uddin	Manager - Export Premier Cement Mills Limited, Bangladesh	Bangladesh
12	Sheikh Mahfuz Hamid	Managing Director Gulf Orient Seaways Ltd	Bangladesh
13	Nurun Nahar Baby	Entrepreneur and Member, Bangladesh Women Chamber of Commerce and Industry (BWCCI)	Bangladesh
14	Juthika Juthi	Treasurer, Sylhet Chamber of Commerce	Bangladesh
15	Chandan Saha	Sr. Vice President, Sylhet Chamber of Commerce	Bangladesh
16	Shaheen Ul Alam	Project Coordinator, Unnayan Shamannay	Bangladesh
17	Dipalay De	Jookto	India
18	Veena Vidyadharan	Fellow, CUTS International	India

19	Arnab Ganguly	Policy Analyst, CUTS International	India
20	Sumanta Biswas	Senior Programme Officer, CUTS International	India
21	Shaswata Mukherjee	Programme Assistant, CUTS International	India
22	Sayandeep Ghosh	Assistant Policy Analyst, CUTS International	India
23	Sucharita Bhattacharya	Policy Analyst, CUTS International	India
24	Bijaya Roy	Senior Research Associate, CUTS International	India
25	Amrita Sengupta	Assistant Policy Analyst, CUTS International	India
26	Trinayani Sen	Senior Research Associate, CUTS International	India