



**Bangladesh Institute of International and Strategic Studies**  
1/46 Old Elephant Road, Eskaton, Dhaka 1000

**ROUNDTABLE**  
**on**

**BANGLADESH-INDIA RELATIONS: EXPLORING NEW HORIZONS**

**09 January 2010**

### **Summary of the Proceedings**

Bangladesh Institute of International and Strategic Studies (BIISS) organised a Roundtable on Saturday, 09 January 2010 entitled “**Bangladesh-India Relations: Exploring New Horizons**”. **Dr. Dipu Moni**, Honourable Minister for Foreign Affairs, Government of the People’s Republic of Bangladesh, graced the occasion as the Chief Guest. A total of four presentations were made during the event, followed by a lively discussion. **Ambassador (Retd.) Dr. M. Afsarul Quader**, Vice President, Bangladesh Enterprise Institute made a presentation on “Management of Bangladesh-India Border”. Presentation on “Bangladesh-India Relations: Sharing of the Waters of Common Rivers” was made by **Ambassador (Retd.) Muhammad Zamir**, Former Secretary, Ministry of Foreign Affairs. **Mr. Yousuf Abdullah Harun**, Adviser, SAARC Chamber of Commerce and Industries, and Former President of FBCCI made a presentation on “Bangladesh-India Economic Relations”. **Dr. M. Rahmatullah**, Programme Director of Centre for Policy Dialogue (CPD) made a presentation on “Bangladesh-India Relations: Regional Connectivity”. **Major General Sheikh Md Monirul Islam**, ndc, psc, Director General of BIISS, delivered the Address of Welcome. Professor Rehman Sobhan Chairman of CPD chaired the Roundtable. Finally, **Major General Muhammed Firdaus Mian**, psc, Chairman, Board of Governors of BIISS delivered the vote of thanks.

**Major General Sheikh Md Monirul Islam**, ndc, psc, Director General of BIISS, in his Address of Welcome, emphasised that Bangladesh’s relations with India have traversed through a chequered process. From an apogee of very close friendship in the aftermath of Bangladesh's independence in 1971, Bangladesh-India relations plummeted into a nadir of mutual mistrust and suspicion within a very brief period. Neither sustained for a long period, which is primarily due to the complexity of the relationship between the two countries. However, understanding all the complexities in Bangladesh-India relations is a vital necessity. He noted that the issues at stake in Bangladesh-India relations are of crucial importance for the former, both for its peace and prosperity. Bangladesh-India relations embrace virtually all aspects of inter-state relations. He, however, mentioned that with the formation of the government headed by the Honourable Prime Minister Sheikh Hasina on 6 January 2009, a new era of fresh prospects and opportunities of revamping the

Bangladesh-India relations have opened before the two countries. In this regard, resolving or, at least, devising *modus vivendi* regarding a host of outstanding issues and vitalising the process of mutually beneficial cooperation on a wide range of issues of vital importance to both the countries emerged as the crucial foreign policy agenda of the new government. In this context, he expected that the forthcoming visit by the Honourable Prime Minister Sheikh Hasina is likely to be a significant milestone in Bangladesh-India relations.

In his presentation, **Ambassador (Retd.) Dr. M. Afsarul Quader** noticed that the Eurocentric model of borders left by colonial rulers to their erstwhile colonies in the third world continue to generate challenges to the foreign relations of the later. For Bangladesh, the forthcoming visit to India by Honourable Prime Minister Sheikh Hasina has raised enormous positive expectations in many spheres between the two countries. During her first term in the office, she successfully resolved contentious issues like the insurgency in Chittagong Hill Tracts and the sharing of water of River Ganges with India. Bangladesh has indeed shown her goodwill by proving herself as a trustworthy neighbour, for example, she has declared and taken concrete steps that Bangladesh's soil will not be allowed to wage terrorist activities against India. Consequently, the ULFA leaders have surrendered to the Indian government despite these actions on the part of Bangladesh might arouse the other insurgent groups in Northeast India to seek revenge against her. Bangladesh has handed Berubari enclave over to India, lowered tariffs for Indian goods entering Bangladesh but this have not been reciprocated by India. Then he spoke about Bangladesh-India border tensions. Despite Mujib-Indira Agreement of 1974 resolving the border and enclave issue, 51 enclaves are in adverse possession of India forcing Bangladeshi residents to live in abysmal conditions. Besides, the killing of Bangladeshis by the Indian BSF goes on. Maritime disputes also continue, like undemarcated maritime boundaries and the forced occupation of the South Talpatty Island by India. For resolving unsettled issues in Bangladesh-India relations, we may follow the model of the European countries. He mentioned the example of Organization for Security and Cooperation in Europe (OSCE) where the member states cooperate among themselves to uphold their national and international interests while promoting open and secure borders on various issues like border security management, enhancing security of travel, reduce the threat of terrorism, conflict resolution through peaceful dialogue; the OSCE Court of Conciliation and Arbitration helps the states to resolve disputes. Bangladesh and India may also follow these examples by increasing mutual cooperation on border related tensions. Effective cooperative institutions with sufficient authority to deal with the uncertainties and bottlenecks might prove to be vital to that end. Joint development of some border areas and resources may provide the basis for more peaceful solutions to conflicting issues and situations and such resolution may help improve Indo-Bangladesh relations. He concluded by saying that more constructive role of the leadership of both countries would be crucially important in that respect.

In the second presentation by **Ambassador (Retd) Muhammad Zamir**, it was mentioned that Bangladesh has more than 230 rivers out of which 57 are trans-boundary or international water courses. Out of 57 trans-boundary rivers, 54 are common. Among the rivers, the Ganges, the Brahmaputra, and the Meghna are largest and world's major

trans-boundary rivers. The sharing of waters of the Ganges during the dry season commenced at Farakka (as per Ganges Treaty) on 1 January 1997 and has continued up to 31<sup>st</sup> May every year since then. However, the amount of water received as its share by each country does not appear to have conformed to the treaty. It appears from the records that Bangladesh has received lesser amounts of flows at Farakka as its share over the period between 1997-2006. The lowest ever share of 6,000 cusecs was recorded in the dry season of 1997. The Teesta is an important river for the northern part of Bangladesh and trans-boundary in nature. India constructed Gazoldoba barrage a few months after Bangladesh started constructing Teesta barrage in 1983. India keeps the Gazoldoba barrage closed during winter and it has affected the river flow downstream and disrupted the navigability of the Teesta River and ecology of the northern districts. India has built several dams in last few years on Teesta, built under a project to produce 5,000 MW hydropower, these dams have contributed to the decreasing water flow in the lower basin. He also mentioned that in the latest round of Secretary-level talks between Bangladesh and India on sharing the waters of river Teesta held in the first week of January this year in Dhaka, it was mentioned by both sides that the differences have been narrowed down and there will be further discussion soon. This issue will be discussed during the forthcoming Bangladesh-India meeting at the Prime Ministerial level. The meeting in Dhaka has also discussed the issue of the sharing of the waters of other rivers in Bangladesh. He also discussed about Tipaimukh dam, which will drastically alter river flow in the downstream region. Finally he suggested that India should come forward for a multilateral regional cooperation to produce hydropower collectively and meet the energy requirement of all neighbouring countries. Ganges treaty should be reviewed as per review clause of Ganges Treaty 1996 based on principles of equity, fairness and no harm to either party, and that will help overcome the mistrust between the two countries. Due to reduced flow in the Ganges during dry season, Bangladesh has proposed to India that efforts need to be undertaken for conservation of some monsoon water flow in the upstream reaches of the Ganges by constructing storage reservoirs in Nepal. Such multilateral cooperation among India, Nepal and Bangladesh could also be facilitated by the international community and our common development partners as was in the case of the Indus water treaty.

The third presentation on “Bangladesh-India Economic Relations” was delivered by **Mr. Yousuf Abdullah Harun**. On the presentation, he first focused on few challenges for Bangladesh: efficiency and international competitiveness, regional apprehensions and constraints and move towards regional trade liberalisation, and cooperation in investment and economic integration. India already has FTA with Nepal, Bhutan and Sri Lanka and nearing to one with Bangladesh. Trend towards bilateralism raises concern – could hinder greater regional cooperation. He said that India accounted 80 percent of South Asia’s combined GDP. Huge trade imbalances with India created asymmetric trade relations among neighbouring countries hindering close cooperation. Thereafter, he mentioned the volume of ever-increasing imbalances over the past few years on Bangladesh’s exports and imports to India. In 2008-09 the imbalance was \$2.56 billion. He highlighted on the fact that the number of commodities imported from India is increasing, but the number of Bangladesh’s export commodities (just jute manufactures; raw jute; fish, shrimp and prawns; fertiliser; RMG; leather and leather manufactures; and others) to India is

decreasing. Therefore, he identified the key factors for Bangladesh's trade imbalances with India, such as exchange rate policy, non-tariff and para-tariff barriers, India's diversified exports and technologically advanced industrial base, etc. He identified non-tariff and para-tariff barriers (NTB and PTB) faced by Bangladeshi products in Indian markets: classification of goods, testing requirements, mandatory requirement for labelling and marketing, special labelling for jute bags, mandatory standard requirement, sanitary and phyto-sanitary measures, technical regulations, quarantine requirement, tariff value, countervailing duty, etc. Thereafter, he mentioned few reforms and capacity building measures: improvement of road and railway network; liberalisation of aviation services; develop and link inland waterways; trade facilitation reforms; standardisation of basic customs nomenclature regulations, documentations, and clearing procedures; progressive harmonisation of product safety and technical standards; use of electronic data interchange system at the border; renovating land custom stations, ware house facilities; and facilitate movement of businessmen for long duration – at least one year multiple visas. Finally, Mr. Harun highlighted few opportunities and potentials, such as increase in bilateral cooperation; investment in cross border infrastructure; joint venture investment; third country exports; production sharing agreements; coordinated programme to address insurgency, smuggling, challenges to environment, social development and other field spill over national boundaries. Investment in water resources could be used to generate electricity and meet the growing energy needs of the region. As the gateway between ASEAN and SAARC, Bangladesh could emerge as the hub of the region. Chittagong port would be the nodal point of regional trade.

The final presentation was made by **Dr. M. Rahmatullah**, who said that present level of connectivity between Bangladesh and India is low. As a result, trade with some parts of India has become costly both in terms of money and time, which causes trouble to both the countries. India has allowed transit between Bangladesh and Nepal for bilateral traffic only, not for third country traffic. Bangladesh has not yet agreed to give transit facility to India. Therefore India is now building connectivity with Myanmar to facilitate traffic to Northeast India. He pointed that Bangladesh has a unique geographical location with three landlocked countries/territories, namely Nepal, Bhutan and North East India. He suggested that Bangladesh can benefit by exporting "Transport Services", *i.e.*, by providing transport connectivity to these countries. Through this the country can reduce its trade deficit with India. He said that India had long been asking for access of Northeast India to Chittagong Port. Similarly, Nepal and Bhutan have been asking for access to Mongla Port. He suggested that Bangladesh can benefit by responding to the request of these countries and thus can utilise the spare capacity of these two ports. According to him, Bangladesh also has potential for developing a deep-sea port which can be utilised in the same way. Dr. Rahmatullah mentioned that if transit/trans-shipment traffic is subject to inspection by Bangladesh authorities, Bangladesh need not be worried about its security aspect while considering the transit issue. He added that so far Bangladesh and India did not face any security problem along the inland water transit route and Bangladesh-Nepal transit route. Giving the example of Rotterdam Port which is providing sea access to several landlocked European countries and Bandar Abbas Port in Iran which is providing the same to countries of Central Asia, he suggested that Bangladesh can also play the same role in this region. Furthermore, he said that

Bangladesh had already ratified Trans Asian Railway and Asian Highway. He pointed out that the present Asian Highway route is not ideal as it passes through mountainous region. To resolve the problem, India and Bangladesh should jointly bring a proposal to add a new access road to Northeast India as part of BIMSTEC network from Sylhet to Imphal. He also suggested that due to structural limitation of roads of Bangladesh, railway should be the preferred mode for regional traffic. Finally he made some recommendations in this regard. These are: promoting jointly containerised movement of bilateral trade, giving Northeast India access to Chittagong Port as well as giving Nepal/Bhutan access to Mongla Port, using “Saharan Port” as a transshipment port for carrying heavy equipments for a power plant in Tripura and demanding India to extend financial and technical assistance to Bangladesh Railway and BIWTA. He concluded by saying that transit is a “trump card” for Bangladesh. Hence Bangladesh should try to resolve other issues while negotiating about it.

After the presentations, lively and interactive **open discussion** took place. The important points raised by the participants were as follows:

- Building confidence and trust between each other.
- Border management should be reflective of and focused on universal human rights; land boundary demarcation (ratify Mujib-India treaty; harnessing of water sharing; generation of electricity).
- Actions of Tipaimukh barrage should be transparent between Bangladesh and different states of India; point should be raised on likely impact on agriculture.
- In tariff concession, there is a need for coordination between union government and state governments of India; trade imbalance should be noted; finding FDI and particularly Indian investment.
- There is a need for improved connectivity, transport services and infrastructure. We have to rethink about the Mongla, Chittagong and deep sea port for regional utilisation.
- Bangladesh’s commercial offices (banks) should be opened without monetary restrictions (US\$10 million).
- Multiple visa is required for the businessmen.
- Sensitive list of SAFTA needs to be reduced.
- The need for resolving the issues concerning all the enclaves between the two countries should be recognised.
- A strong Coast Guard is required.
- Use of Chittagong port and Ashuganj river port by India can be considered to facilitate Bangladesh-India trade.
- The question of transshipment need to be highlighted.
- Bilateral FTA talks should be reopened immediately.
- Need to address the problems emanating from the asymmetric nature of relationship and embracing a holistic approach in dealing with the whole gamut of issues in Bangladesh-India relations.

After the discussion, **Dr. Dipu Moni**, Honourable Minister for Foreign Affairs delivered her address of the Chief Guest. She mentioned the history of Bangladesh-India relations

which have grown both in depth and dimensions now as both the countries have multifaceted nature of relations, geographical proximity, shared history and commonalities in cultures. Economically and commercially both the countries are becoming increasingly interlinked. She pointed out that our common goals in SAARC and in other regional bodies and cooperation in international forums have further consolidated the base of our multifaceted relations. She opined that Bangladesh's stability and prosperity is inextricably linked with those of India and that the future of Bangladesh can be best served by strengthening relations with India. She raised the issue of economic ties between the two countries and said that we must act urgently to fully activate all institutional mechanisms at our disposal to promote two way trade between our two countries, remove avoidable hindrances, initiate long pending trade facilitation measures, ease movement of businessmen and professionals to avoid snags arising out of differences on specific trade related matters. She mentioned that to advance the trade relations with India, Bangladesh government is now considering to establish border *hats* (marketplaces) along the Indo-Bangladesh border and opening new trade routes between Bangladesh and North-eastern states of India, Mizoram and Tripura through Tegamukh-Demagiri and Ramgarh-Sabroom border points respectively. Regarding the issue of security and stability, she mentioned that enhancement of security and stability in this region is one of the top priorities of the present government of Bangladesh. As Bangladesh has joined the Asian Highway project, the Chief Guest stated that a better connectivity in this region would open a new era of cooperation and development for the mutual benefit of the two countries. Raising the issue of water she said that unfortunately following the landmark Ganges Water Treaty of 1996, the government of Bangladesh has not been able to make further progress on most of our water related concerns especially on the question of sharing of other common rivers including Teesta. She expressed hope that we would be able to narrow down our differences with India on the water related issues. She wished that the forthcoming visit of the Honourable Prime Minister to India would enable us to build on the already solid foundation of our existing friendly relations with India.

After the address of the Chief Guest, the Chair of the session **Prof Rehman Sobhan** delivered his speech. He said that no negotiation is conducted on the premise that one party will get whatever it wants. Also, it cannot be hoped the big country involved in the negotiation will meet all the demands of the small country out of generosity. Rather, any bilateral negotiation between neighbouring countries, however amicable their relation might be, should be based on the principle of give and take. However, usually the big neighbour is hoped to give more than it takes. They do so in order to ensure their long term interest in that region. He said that one of the issues in which India is hoped to be in a position of major concession is trade. The Indian Prime Minister who is also a well known economist, has considered Bangladesh's duty free access to Indian market as an LDC country of SAARC. But the bureaucracy of India has constructed a large barrier of sensitive list and non-tariff barrier. India now seems to be in a position to give significant concession. He pointed out that this concession will benefit India, too. In that case India will have sustainability in Bangladesh-India relations. Another issue which is approaching to be settled is demarcation of 6.2 miles of border, which should have been settled long ago. He hoped that the present government of Bangladesh will be able to

settle the issue without much difficulty. But in the last thirty years the issue of maritime boundary has been left unresolved for which Bangladesh is paying a high price now. He hoped that Bangladesh and India will be able to devise a formula to resolve the issue. He also agreed with Dr. M. Rahmatullah that Bangladesh should utilise its geographical location and added that Bangladesh has the opportunity to become a transport hub like Singapore. Finally, he said that we are living in Asian Century and India is going to be a major global power. In this context, enhanced Bangladesh-India relation is significant for long term interest of both countries.

In the Vote of Thanks, **Major General Muhammed Firdaus Mian, psc**, Chairman, expressed his sincere gratitude to the Chief Guest, panellists and participants. He was hopeful that the outcome of this particular roundtable would be helpful for the Bangladesh delegation headed by the Honourable Prime Minister Sheikh Hasina that would visit India.