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REGIONAL AND SUB-REGIONAL CONNECTIVITY ARRANGEMENTS: OPPORTUNITIES AND CHALLENGES FOR BANGLADESH

Abstract

Connectivity initiatives in the present era are considered as a significant prerequisite for developing transport sector, people to people engagement, institutional linkages and hence in the long run, contributing to the economic development. Bangladesh's unique location puts it in the vicinity of two regional powers - India and China and landlocked countries – Bhutan and Nepal. With two operational seaports, one forthcoming deep-sea port and several land ports, Bangladesh can easily reap a myriad of benefits by turning itself into a regional and trading hub. Therefore, the paper explains the possible benefits that Bangladesh and its neighbours could gain from already established and forthcoming connectivity arrangements at the regional and sub-regional level. The paper also reviewed the existing and possible impending challenges that Bangladesh would face in transforming itself as a connectivity centre and suggested policy recommendations to address these challenges.

1. Introduction

Emerged in the mid-20th century, the concept of regional and sub-regional cooperation reflects the understanding that no country, irrespective of size and wealth, can achieve economic prosperity in isolation.¹ Transport cost of goods also plays a significant role in determining trade competitiveness in global economy. In this regard, connectivity plays significant role and is perceived to be an important driver of trade, transport, energy cooperation, investment, tourism and people-to-people contact. Strong physical, institutional and people-to-people connectivity encourage economic prosperity in a region. South Asia, being the least integrated region in the world, is yet to attain its potential.² In South Asia, Bangladesh has enormous scope in leveraging connectivity initiatives and it is contemplated that the country could also be benefited from regional and sub-regional cooperation through connectivity for sustainable economic development, combating terrorism, facing climate change and reducing poverty. It is also believed that these connectivity initiatives could also bring significant benefits to the participating countries by accelerating transport, trade and

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¹ M. Rahmatullah, "Regional Transport Connectivity: Its Current State", *The Daily Star*, 24 March 2013.

² Hasanuzzaman and Zeeshan Rahman, "Bangladesh and Regional Connectivity: Best Practices from Global Experiences", Centre for Policy Dialogue, *Occasional Paper 89*, April 2010.

investment³. Studies revealed that Bangladesh can be a potential connectivity centre due to its distinctive position between two regional economic giants – India and China and having two landlocked neighbouring countries – Nepal and Bhutan and a semi-landlocked territory in India's northeast comprising the Seven Sister States and the Himalayan state of Sikkim.⁴

It is important for Bangladesh to be able to make use of this advantageous geographical setting and participate actively in connectivity plans, using its transport network to facilitate trade integration and gap reduction with neighbours, provide new markets, boost tourism and energy cooperation, etc. However, Bangladesh is already a member of two important regional forums - the South Asian Association for Regional Cooperation (SAARC), and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). It recently joined several forward-looking sub-regional connectivity initiatives, such as Bangladesh, Bhutan, India and Nepal (BBIN); Bangladesh, China, India and Myanmar Economic Corridor (BCIM-EC); and Myanmar-Bangladesh-India (MBI) Pipeline Project.

Given this backdrop, the objective of this paper is to identify Bangladesh's opportunities and challenges over connectivity and find suitable ways to deal with them. There are six sections in this paper following the introduction. The second section of the paper evaluates the general state of connectivity from Bangladesh's perspective. The third section looks into the existing connectivity initiatives in Asia by examining how Bangladesh is engaging with several Asian connectivity plans. The fourth section attempts to find out possible opportunities that Bangladesh could grab if it becomes a regional connectivity hub and also investigates possible challenges it could face as a host country. The fifth section suggest some possible ways to address these concerns and the final section concludes the paper.

2. Connectivity: Bangladesh Perspective

Effective regional economic cooperation is unachievable without better communication and transport connectivity. In this regard, Bangladesh's favourable location could bring huge opportunity for gearing up connectivity among the neighbours as well as boosting up trade and commerce. Since non-cooperation at bilateral, regional or global level is never a sustainable option for economic prosperity especially for a developing country like Bangladesh, it should take the opportunity of practising connectivity initiatives.

³ Bangladesh Ambassador to the United States, Mohammad Ziauddin's Interview with *The Diplomat* on "Regional connectivity, maritime disputes, and regional security threats", 18 November 2015, available at <http://thediplomat.com/2015/11/diplomatic-access-bangladesh/>, accessed on 27 November 2015.

⁴ M. Rahmatullah, "Regional Connectivity: Opportunities for Bangladesh to be a Regional Hub", *Journal of Bangladesh Institute of Planners*, Dhaka, Vol. 2, December 2009, p. 13.

Bangladesh has become a lower middle-income country with the GNI per capita of US\$1,080. Doing Business 2016 report shows that Bangladesh slipped two positions to 174 in 2016 among the 185 economies compared to the position of 172 in 2015. The other South Asian countries, which were below in 2015, have all developed their position in the latest ranking. Thus, it should be treated as a wake-up call for Bangladesh to give focus on regional connectivity for encouraging more investments in Bangladesh.⁵ According to United Nations Economic and Social Commission for Asia and Pacific (UN-ESCAP) Statistical Yearbook 2015, Bangladesh is still lagging behind in railway density and upgraded road network.⁶ World Economic Forum's Global Competitiveness report 2016-17 showed that Bangladesh's position was the 106th out of 138 countries. The performance of each country is examined based on 12 parameters. Of them, Bangladesh's position was 114 in infrastructure sector. Road transport is still underdeveloped but little progress observed compared to the preceding year⁷. Although Bangladesh has all the potentials to scale up its transport network, it is not still gearing up the way it should be.

Economic integration depends on the density and quality of connectivity. A stronger connectivity strengthens intra and inter-regional trade and generates higher income and prosperity. Weak connectivity is one of the main reasons of poor performance in regional trade. Better infrastructure for regional connectivity would encourage fragmentation of production and enhance regional and global trade.⁸ Since Bangladesh is located between India and China and positioned as a bridge between Central, South and East Asia, it can become an Asian commercial hub through better land, air and sea connectivity.⁹

Bangladesh, by providing transit to its neighbours, can also sell transport services for which there is currently no competitor in the region. With this, Bangladesh can also lessen its trade deficits with neighbouring countries. Map 1 below is showing the location of Bangladesh bordering India and Myanmar. The country is also adjacent to two landlocked countries – Nepal and Bhutan. The BBIN's possible route plan for motor vehicle transport connectivity and the route of MBI are also in the maps below. These maps are proving the importance of Bangladesh's cooperation in regional and sub-regional connectivity plans. Bangladesh is also in the plan of the Asian Highway and Trans-Asian Railway (TAR).

⁵ World Bank, *Doing Business Report*, 2016

⁶ UNESCAP, *Statistical Yearbook for Asia and the Pacific*, 2015

⁷ World Economic Forum, *The Global Competitiveness Report 2016-2017*

⁸ Prabir De, *Connectivity, Trade Facilitation and Regional Cooperation in South Asia*, London, Commonwealth Secretariat, 2013

⁹ Mustafizur Rahman, Khondaker Golam Moazzem, Mehruna Islam Chowdhury and Farzana Sehrin, *Connecting South Asia and Southeast Asia: A Bangladesh Country Study*, ADBI Working Paper Series, Asian Development Bank Institute, September 2014

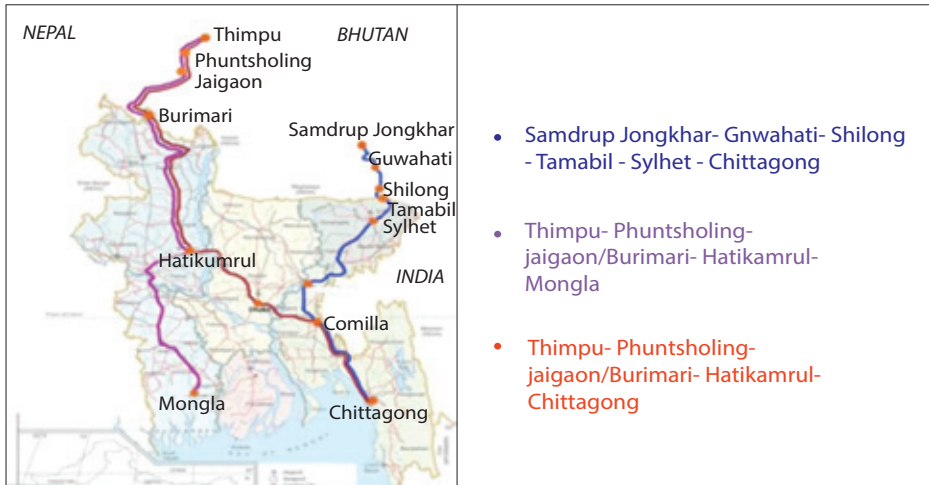
Map1: TAR route through Bangladesh¹⁰



Map2: MBI Gas Pipeline through Bangladesh¹¹



Map3: Possible Bangladesh-Bhutan route in BBIN Motor Vehicle Agreement¹²

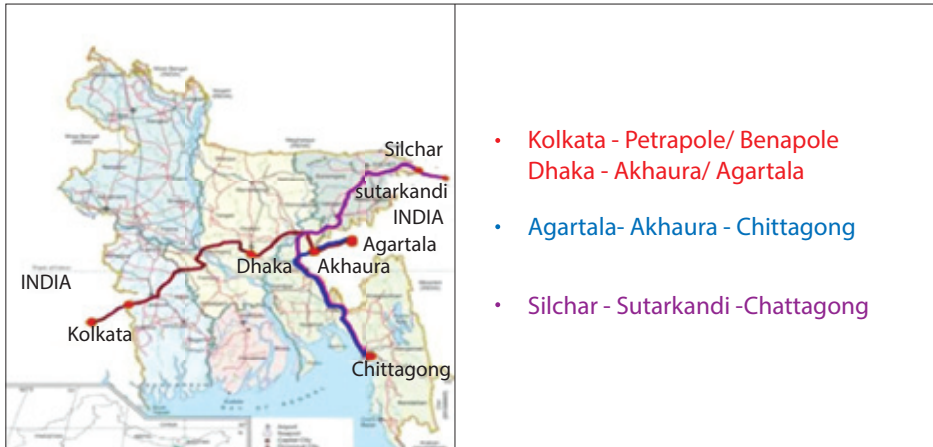


¹⁰ Rejaul Karim Byron, "Target Trans-Asian Railway Linkages", *The Daily Star*, 20 April 2016

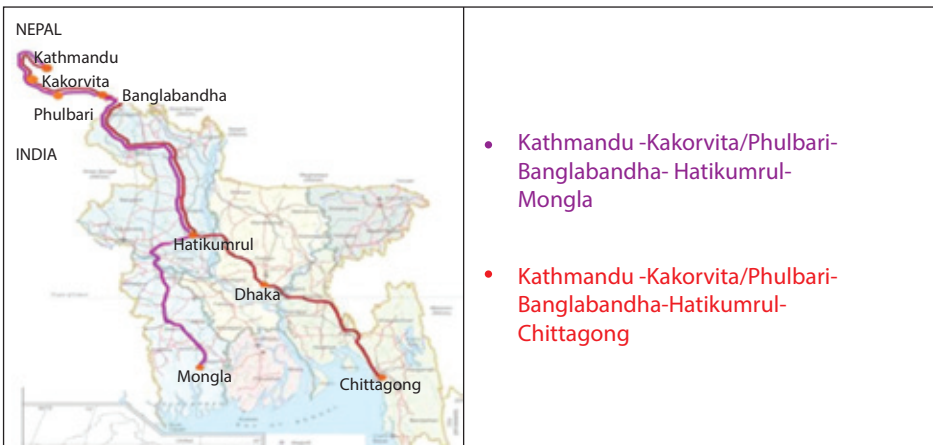
¹¹ Myanmar, Bangladesh, India Gas Pipeline, available at https://www.google.com.bd/search?q=myanmar+bangladesh+india+gas+pipeline&biw=1366&bih=610&source=Inms&tbm=isch&sa=X&ved=0ahUKEwiE kJrg0ovQAhVGNy8KHwYHD_kQ_AUIBigB#imgrc=L-w-6fyt1rg6EM%3A, accessed on 27 March 2016

¹² Sajid Karim and Gazi Quamrul Hasan, "Motor Vehicle Agreement Between Bangladesh Bhutan India and Nepal: Implications and Challenges", *BISS Journal*, Vol. 36, No. 2, 2015.

Map 4: Possible Bangladesh-India route in BBIN Motor Vehicle Agreement¹³



Map 5: Possible Bangladesh-Nepal route in BBIN Motor Vehicle Agreement¹⁴



South Asia has huge potential regarding connectivity and it could be a bridge between South and Southeast Asia, between South and Central Asia, and between South and West Asia. In this regard, Bangladesh has huge possibilities to become a connectivity centre. Bangladesh, by providing transport connectivity to its neighbouring countries, can also get the benefits from the earning of transportation charges, port charges, border crossing charges, etc.¹⁵

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ Abu Saleh Md. Yousuf and Mohammad Jashim, Uddin, "Economic Integration in South Asia", *BISS Journal*, Vol 34, No. 1, January 2013, pp. 16-36

Centre for Policy Dialogue (CPD) in its study showed that regional connectivity is a prerequisite for the growth of trade, commerce and investment. In South Asia, several regional connectivity initiatives have been taking place and a failure to respond to these emerging initiatives will result in higher cost of non-cooperation. This will lead to lower economic integration and less engagement with global opportunities. Since Bangladesh has the potentials for regional connectivity, the government should take steps to operationalise the connectivity agenda through transport interconnection, border clearance, secured transport market access, and developing route capacity.¹⁶ In this regard, Rahmatullah¹⁷ rightly showed that Bangladesh will gain a win-win situation if connectivity is fully materialised by all modes and transit of goods and containers allowed across its territory.

For the implementation of vision 2021, the government of Bangladesh has formulated a perspective plan (2010-2021) and two five year plans – 6th (2011-2015) and 7th (2016-2020) where the issue of connectivity through transport, people-to-people contact, energy cooperation, etc. received much consideration.¹⁸ In the 7th Five Year Plan, the top priorities for the transport infrastructure strategy are, to address implementation gaps of 6th Five Year Plan; taking new initiatives to promote regional connectivity by improving transport communication with neighbouring countries through development of intermodal transport network and supporting TAR and Asian Highway; to address the anticipated Chittagong Port capacity constraints and setting reformation of Public-Private Partnership (PPP) strategy to achieve stronger progress. Apart from these priorities, 7th Five Year Plan emphasises on another important task which is to identify incomplete infrastructure projects and timely completion of such projects. Regarding regional connectivity, table 1 below is showing the sector-wise targets of 7th Five Year Plan which will aid Bangladesh to be a hub of regional connectivity.

¹⁶ Hasanuzzaman and Zeeshan Rahman, *op.cit.*

¹⁷ M. Rahmatullah, 2009, *op.cit.*

¹⁸ General Economic Division (GED), Planning Commission, Government of the People's Republic of Bangladesh, *Seventh Five Year Plan (2016-2020)*, Final Draft.

Table 1: Targets in the 7th Five Year Plan to aid Bangladesh to be a connectivity hub

Sectors	Targets to Achieve
Roads and Highways	<ul style="list-style-type: none"> • Timely completion of important road links related to regional and multi-regional connectivity • Construction of Padma Multipurpose Bridge that will connect southwest part of the country to northern and eastern regions • Conversion of nationally important highways into four-lanes • Connecting important economic activity hubs, such as Payra Port and Economic Zones to national highways
Railways	<ul style="list-style-type: none"> • Continuation of reforming and modernising railways • Strengthening South Asia Regional and TAR connectivity through constructing new rail track in the Bangladesh side of TAR
Waterways	<ul style="list-style-type: none"> • Construction of landing stations and river ports • Construction of a new container terminal
Airways	<ul style="list-style-type: none"> • Construction of a new airport named Khan Jahan Ali Airport
Port and Terminal	<ul style="list-style-type: none"> • Construction of the third sea port at Payra in Patuakhali • Construction of a sea port and Liquefied Natural Gas (LNG) terminal at Moheshkhali • Construction of the third terminal at Hazrat Shah Jalal International Airport

Source: 7th Five Year Plan 2016-2020.

Several policy initiatives and institutional reforms also happened during the recently implemented 6th Five Year Plan, such as “National Integrated Multimodal Transport Policy 2013”, “Road Fund Board Law 2013”, “Vehicle Axle Load Control Station Operation Policy 2012” and “River Protection Commission Act 2013”. During the recently implemented 6th Five Year Plan, the GDP growth rate remained steady at 6 per cent for a number of years and it is expected to accelerate during the tenure of 7th Five Year Plan. For that reason, a more balanced and efficient multimodal transport system is very much important for Bangladesh.

3. Bangladesh in Regional and Sub-regional Connectivity Arrangements

Connectivity has become a buzzword in the field of development. Although there are many setbacks in regional cooperation, Asian countries are practicing some joint initiatives to tackle specific and common concerns. This section tries to explore all the regional arrangements in which Bangladesh is involved. In the Asia region, there are several worth-notable connectivity initiatives, such as SAARC, BIMSTEC, BCIM-EC, BBIN, etc. Bangladesh is a member of all of these forums.

SAARC, which was established in 1985, is the oldest regional forum. Under the SAARC platform, SAARC-MVA is the Motor Vehicle Agreement for the regulation of Passenger and Cargo Vehicular Traffic amongst SAARC member states. The agreement was drafted and proposed for approval at the 18th SAARC Summit in Kathmundo in 2014. But it was not approved at the summit because Pakistan backtracked from its support and denied to approve the agreement. The mistrust between India and Pakistan has been a major obstacle in the path of progressing with SAARC-MVA.¹⁹ However, this agreement has the aim to make closer regional cooperation and integration through enhanced regional connectivity by allowing movement of goods and passengers through road transport. Within SAARC, Bangladesh and India have some MVAs. The Kolkata-Dhaka Bus service (1999) and the Dhaka-Agartala Bus service (2001) are the earliest two road transport initiatives between Bangladesh and India. Though these two countries have huge potential in establishing seamless multimodal connectivity, they lack in terms of joint multimodal connectivity. Despite several setbacks, these two countries are currently undertaking some connectivity initiatives.²⁰ Of them, Ashuganj River Port for transshipment is the latest development between India and Bangladesh.

Association of South East Asian Nations (ASEAN) started its journey in 1967. Bangladesh is a member of the ASEAN Regional Forum (ARF). Recently, ASEAN has taken the Master Plan of ASEAN Connectivity (MPAC) flagship project towards an integrated Southeast Asian region by enhancing region's physical infrastructure, institutions and people-to-people relations to achieve seamless movement of people, goods and services.²¹ Recently ASEAN launched a "Dhaka Committee" to nurture relationship with Bangladesh. It is a remarkable step since this type of committee usually forms in the dialogue partner country but Bangladesh still not a dialogue partner of ASEAN. Thus, this step bears significance for Bangladesh-ASEAN relations. Bangladesh also has an interest to intensify its political, economic and cultural connectivity with ASEAN countries as a dialogue country. Both the ASEAN members and Bangladesh will be benefitted, since ASEAN has a plan about regional connectivity and to have an open market for the member countries.²² Bangladesh has the ability to make stronger trade relation with ASEAN countries in the field of exporting goods include non-traditional goods, manpower export and exporting services including tourism, culture and education. Moreover, Bangladesh has the ability to become an investment destination since it has cheaper labour market. The low cost of labour may attract the ASEAN countries to invest in Bangladesh.²³

¹⁹ Joyeeta Bhattacharjee, "When SAARC Became A Tool to Embarrass Than Cooperate", *Observer Research Foundation*, available at <http://www.orfonline.org/research/when-saarc-became-a-tool-to-embarrass-than-cooperate/>, accessed on 3 March 2016.

²⁰ Sultana Yeasmin, "Tapping Potential of Indo-Bangladesh Connectivity", *The Financial Express*, available at <http://print.thefinancialexpress-bd.com/2015/08/21/104715>, accessed on 25 April 2016.

²¹ Joyece A Teodoro, "ASEAN's Connectivity Challenges", *The Diplomat*, available at <http://thediplomat.com/2015/06/aseans-connectivity-challenge/>, accessed on 20 February 2016.

²² "Bangladesh Hopes to deepen Ties with ASEAN", *The Daily Star*, Dhaka, 9 August 2016.

²³ Nasim Uddin, "Moving Forward With ASEAN", *Dhaka Tribune*, Dhaka, 22 May 2014.

In the area of Asian connectivity, Asian Highway network attracted considerable attention, although at one point it slowed down for several reasons. It is a collaborative project among countries in Asia and Europe with the support of UNESCAP to improve the road connectivity. Thirty-two countries signed this agreement. This project is supposed to receive the fund from Japan, China, India and Asian Development Bank (ADB). It will help to develop the road transportation throughout the Asia. The plan of this project is to make maximum use of existing roads by further necessary reconstruction instead of constructing new roads. Bangladesh is also a member of the Asian Highway Network. It is supposed to run three routes for 1,741 km through Bangladesh. However, Bangladesh's part of this project has failed to meet the required standard. Because the Bangladesh government constructed only 72 km four-lanes highway of the 1,741 km Bangladeshi part of the Asian Highway and this does not meet the primary category standard. Primary refers to access-controlled highways which are exclusively used by automobiles. The remaining 1,553 km or 89 per cent of the Bangladesh part of Asian Highway meets class II standards. Thus, Bangladesh needs to take this opportunity with great importance.²⁴

Like Asian Highway, TAR project is another initiative which aims to develop rail connectivity. It aims to create an integrated freight railway across Europe and Asia. This railway network will cover 28 countries, including Bangladesh. In 2007, Bangladesh approved the proposal of TAR with the aim to improve its rail communication and expand connectivity with other Asian countries and subsequently with European countries in the near future. Recently the Bangladesh government has revised a project to lay 129 km long rail track from Dohazari to Gundam near Myanmar border via Cox's Bazar at a cost of Tk. 18,034 crore. The newly revised project will connect Bangladesh with the TAR and hopes to boost the country's trade with Myanmar, China and Thailand.²⁵

Several energy cooperation initiatives also took place in this region under several pre-established regional forums and newly established energy cooperation. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) is such an initiative, which is fully dedicated to the energy cooperation. It is proposed and developed by the ADB. Recently, Bangladesh has also expressed its interest to join TAPI. Bangladesh has already sent an initial proposal to the TAPI steering committee expressing its interest to join in this natural gas pipeline project.²⁶ Under this project, the natural gas from the Caspian Sea will be transported to India via Afghanistan and Pakistan.

BBIN Initiative is another sub-regional cooperation in South Asia. It focuses on multimodal transport connectivity, freight and trade infrastructure and other areas

²⁴ Shohel Mamun, "UN-ESCAP: Bangladesh's Asian Highway Routes not up to Scratch", *The Daily Star*, available at <http://www.dhakatribune.com/bangladesh/2015/apr/20/un-escap-bangladeshs-asian-highway-routes-not-scratch>, accessed on 20 February 2016.

²⁵ Rejayul Karim Byron, "Target Trans-Asian Railway Linkages", *The Daily Star*, available at <http://www.thedailystar.net/frontpage/target-trans-asian-railway-linkage-1211422>, accessed on 20 February 2016.

²⁶ "Bangladesh Lobbies Turkmenistan in Renewed Case for Joining TAPI Gas Line", available at <http://www.platts.com/latest-news/natural-gas/dhaka-bangladesh/bangladesh-lobbies-turkmenistan-in-renewed-case-26797223>, accessed on 22 February 2016.

of cooperation, such as water resources management and power grid connectivity. To strengthen sub-regional transport connectivity, BBIN countries signed MVA on 15 June 2015. It is a framework agreement that allows movement of personnel, passenger and cargo vehicles by road among the four countries. It will be a huge opportunity for the BBIN countries for mutual cross-border movement of passengers and goods for overall economic development of the region. The people of the four countries will be benefited through the seamless movement of goods and passengers across borders.²⁷

BCIM-EC is another sub-regional forum aims to foster greater integration of trade and investment among these countries. It is an initiative which will help foster multimodal connectivity, harness economic integration, and enhance people-to-people relations. The primary focus of the economic corridor is to facilitate trade and connectivity between the landlocked and less developed southwestern parts of China and the Northeastern states of India.

Like BBIN and BCIM-EC sub-regional cooperation, MBI is another important plan, which is mainly devoted to the energy cooperation. This pipeline project was first mooted in 1997. The Mohona Holdings Limited of Bangladesh proposed a 900km pipeline from Myanmar through Bangladesh to provide natural gas to India. In that plan, Bangladesh would have received natural gas for providing transit facility for this pipeline. Afterwards, three countries have reached to an agreement in 2005. Later on, it was doomed due to India's refusal of additional conditions proposed by Bangladesh. Recently, the government of Bangladesh has approved this project. India is also trying to revive this pipeline project. During India's Prime Minister Narendra Modi's visit to Bangladesh in 2015, this pipeline project was re-evaluated.

The Bay of Bengal Industrial Growth Belt (Big-B) is another new initiative with the slogan of "toward growth beyond borders". It is an initiative between Japan and Bangladesh. The BIG-B will help in turning Bangladesh into a nodal point of regional growth. This initiative revolves around the infrastructure development including construction of a deep sea port at Sonadia, developing a primary energy supply terminal at Matarbari and developing the arterial Dhaka-Chittagong-Cox's Bazar highway for smoother transportation of goods and services.²⁸

Another initiative is One Belt One Road (OBOR), a Chinese initiative, which aims to build an economic land belt and a maritime silk road and Bangladesh is also part of this initiative. The economic land belt will include Central Asia, West Asia, Middle East, Europe and Maritime Silk Road will cover from the African Coast through the Suez Canal into the Mediterranean.²⁹

²⁷ Nihar R. Nayak, "BBIN-MVA : Pushing Regional Integration through Sub-Regional Cooperation", available at http://www.idsa.in/idsacomments/BBIN-MVAPushing_RegionalIntegration_nnayak_190615, accessed on 15 March 2016.

²⁸ Syed Fattahul Alim, "Turning Dream of Big-B into Reality", available at <http://www.thedailystar.net/turning-dream-of-big-b-into-reality-40632>, accessed on 15 March 2016.

²⁹ Francis Cheung and Alexious Lee, "One Belt One Road: A Brilliant Plan", *Credit Lyonnais Securities Asia*

The above-mentioned regional initiatives for developing connectivity within the region are working well, although these initiatives need a more thorough work plan and future strategies for better sustainability. Compared to other continents, Asia is still one of the least integrated continents. Bangladesh has enough potential to link itself in the regional connectivity network. It can also contribute as a connectivity hub, linking South and East Asia.

4. Opportunities and Challenges for Bangladesh

Bangladesh can be a potential regional connectivity conduit in the South Asia region. It will create opportunities for neighbouring countries to use connectivity corridor through Bangladesh. This will help the country to become a regional development centre. Since India surrounded Bangladesh from three sides — east, west and north and Myanmar has borders with Bangladesh in the Southeast, Bangladesh can be a conduit for connecting India on the west and with China on the east through Myanmar. The country has two operational sea ports Chittagong and Mongla which are very much under-utilised. Landlocked Nepal, Bhutan and some Indian states can be benefited from using these sea ports. The potential for developing a deep-sea port is under active planning which may be used by other countries of the region including China, India and Myanmar. Sub-regional connectivity initiatives, such as BBIN, BCIM, etc. can also create scope for Bangladesh to be a connectivity conduit for neighbouring countries. Thus, Bangladesh for its unique geographical location should develop its communication infrastructures for exploiting the opportunities.

Economic integration is an important prerequisite for achieving trade and economic prosperity. Therefore, if Bangladesh utilises its transport potential and allow its transport connectivity facilities to the neighbouring countries for movement of goods, services and people; it will be benefitted by getting access to India's Northeastern states, Nepal and Bhutan. Bangladeshi products have huge demand in many Indian states, Nepal and Bhutan but due to poor transport facility people do not have access to Bangladeshi market and Bangladeshi traders do not have access to these markets to sell their products. Thus, it will be a great opportunity for Bangladesh to reduce its large trade deficit with India and as well as with China.³⁰

Augmenting investment is another important input, which should be increased to achieve double-digit growth for the economy. It is one of the growth propelling forces that should be promoted massively. Bangladesh is already a lower middle-income country and it has all the potential to make it up the ladder to be an upper middle-income country in near future. Bangladesh can utilise of her transport facilities by allowing the access to its neighbours; in exchange the user neighbours will bring further investments to develop the already existing transport network.

(CLSA), available at <https://www.clsa.com/special/onebeltoneroad/>, accessed on 26 April 2016.

³⁰ Rahmatullah, 2009, *op.cit.*

A developed transport network would translate as a boost for the Foreign Direct Investment (FDI), which is an imperative to achieve higher economic growth.

Bangladesh has been experiencing a sharp rise in energy consumption over the past two decades. The connectivity initiative will increase the energy trade among neighbouring countries which will help Bangladesh to mitigate its energy need. However, to meet that challenge, sub-regional initiatives; such as BBIN, BCIM, MBI pipeline, etc. have the potential to increase energy cooperation among the member countries. Of them, MBI Pipeline has the purpose of transporting natural gas from Myanmar via Bangladesh to India. Thus, to meet domestic energy demand, several pipeline and grid connectivity initiatives among neighbouring countries, which are already in the pipeline should be materialised as soon as possible. In this cooperation, Bangladesh can extend its support to make these connectivity initiatives prompt and successful.

Although Bangladesh has developed its transportation infrastructure since its independence, it has still many outmoded roads and rail communication which need to be renovated as soon as possible. Thus, if Bangladesh allows its territory to be a regional connectivity centre, it will create opportunity for Bangladesh to upgrade its outdated transport infrastructure. Regarding this, Bangladesh can get financial and technical support to upgrade its outmoded transport facilities which will be convenient for the government as well. Bangladesh will also get transit fees for this purpose which it can use to upgrade its transport infrastructural development. Another important thing is that Bangladesh has the potential on transport connectivity that no one else have in this region. Therefore, Bangladesh should grab this opportunity to trade its transport services. This transport trading opportunity will benefit Bangladesh with huge transit fees and transportation charges. It will also create scope for having huge Indian investment for developing the transport network.³¹

The people-to-people engagement is an important part of connectivity. An all inclusive and participatory regional community could be an asset for a region to develop. Civil society engagement among countries is imperative to accelerate people to people connectivity. This issue is very much important for Bangladesh. If Bangladeshi people can have the opportunity to mingle with people from neighbouring countries and beyond, it will create space for new opportunities such as in education, employment, tourism and cultural exchange. Since the Asian region has many diverse cultures, the "*cultural mosaic model*"³² could be followed by all the people across Asia. By following this model, each and every country will be benefitted by knowing and respecting each other. Bangladesh will also be benefitted from knowing and sharing positive values and exchange programmes from its neighbours.

³¹ *Ibid.*

³² Cultural Mosaic Model refers the idea of multiculturalism which advocates a pluralistic society build up out of various religious, cultural and ethnic minorities. This idea supports that everyone can perform their cultural identity that makes a broad cultural diversity in the state's society. Canada is the best example of this model.

Bangladesh is the home of vibrant cultures, panoramic beauty, historical sites, longest sandy sea beach, flora and fauna, and wildlife. The tourism industry will be largely benefitted if Bangladesh becomes a regional connectivity hub. With its attractive tourist sites, it can attract more tourists once it becomes a connectivity centre-point.

Although the connectivity issue is an important opportunity for Bangladesh, it also comes with numerous challenges and concerns for the host country. As a host country, hesitation in taking a political stand, lack of trust, security concerns, several off-putting perception and rivalry like situation, etc. can hamper the process of any kind of connectivity initiatives. Following are some key obstacles that can hamper connectivity projects.

A strong and bold political decision for joining in any connectivity initiatives is always an important issue. Since, it involves more countries to collaborate, it needs a rapid and timely decision. In this case, most of the time government failed to take proper and timely decision to grab any opportunity. For Bangladesh, taking political decisions for connectivity issue is an important part and several connectivity initiatives have been doomed due to lack of political will. For example, the case of the MBI Pipeline initiative was doomed due to political hesitation and failure of proper negotiation among participating countries – India, Myanmar and Bangladesh. If that initiative was implemented successfully, then Bangladesh as a transit country could have earned US\$125 million annually in transit fee and Bangladesh could have used the gas to mitigate its energy scarcity. The failure of the negotiation doomed the overall project and as a result Bangladesh lost the opportunity of getting benefits from it. Although this doomed initiative is being trying to restart, but the situation is not as favourable as it was before. Thus, timely political decision is paramount to make any connectivity initiative successful.

The need for trust is the key to make connectivity arrangement successful in South Asia. The legacy of mistrust among countries still exists. The government of Bangladesh government also lacked the trust regarding transit issue, but it has accepted and joined in several sub-regional connectivity initiatives which is a positive sign for developing trust upon neighbouring countries. Physical connectivity is key for all the major connectivity plans and no deals will be successful without trust and confidence. Thus, guaranteeing trust and confidence is vital which should be ensured by the governments of the South Asian countries.

Security concern is a big challenge for the host country in the case of connectivity. If Bangladesh tries to become a regional connectivity hub, then it also has to deal with few security related concerns. To open its territory for transit and transshipment, Bangladesh has to be cautious due to several security concerns. While opening up its border for transit, it is crucial to ensure effective inspection in both

entry and exit point to ensure security. Use of container scanner is also crucial to detect contraband products. Border security should be more strengthened to be able to tackle any security concerns.

Connectivity is still considered as a sensitive issue due to several security concerns. Although the Bangladesh government is willing to accept any development related project, but it still has some pre-existed perception regarding its neighbours. In Bangladeshi society, perceptions are influenced by several elements, such as geographical location, identity process, history, power setting, policy initiatives and 'India factor'.³³ Of them, the 'India factor' is perceived to have importance in Bangladesh's foreign policy. Regarding the connectivity issue, India plays an important role in making the regional cooperation successful. Over the past years, Bangladesh-India relations experienced an uneven trajectory. When new government came into power in Bangladesh in 2009, the relations between the two countries seen positive synergy in exploring the areas of mutual benefit. As a result, several policy initiatives, such as signing of the Land Boundary Agreement, giving facilities to India for accessing its Northeastern states, collaboration on security issues such as cooperation in counter-terrorism, increasing Bangladeshi goods' export to Indian market, relaxed visa procedure to improve people-to-people contacts, and improving political relations by a series of high-level visits, etc. have been made which contributed significantly in the development of bilateral relations. Thus, the Bangladesh government has to work on building up positive and warm relations with its neighbours in the region and beyond the region, which will help the country in implementing connectivity initiatives in future.

Finally, rivalry between India and Pakistan, two major countries in South Asia has been the major setback in the process of connectivity. If there is any rivalry existing in the region or among the neighbours, then it will ultimately hamper any holistic connectivity approach.

5. Options for Moving Forward

Previous discussion proved that Bangladesh has enough potentials for being a connectivity centre between South and Southeast Asia, between South and Central Asia, and between South and West Asia. Although lots of challenges will come on the way to hamper the connectivity process, Bangladesh should not fall back to avoid hurdle. Because of the most favourable potential, Bangladesh needs to exercise action plan for making successful initiatives to be an operational connectivity hub. Therefore, the government needs to consider following actions which might have policy significance in developing Bangladesh's position as a regional connectivity conduit.

³³ M. Humayun Kabir, "Changing Relations between Bangladesh and India: Perceptions in Bangladesh", in Vishal Chandra (ed.), *India and South Asia: Exploring Regional Perceptions*, Pentagon Press, New Delhi, 2015, pp.29-41.

Ensuring security is a very sensitive issue in implementing transport connectivity. In the 7th Five Year Plan, there is a lack of specific guidelines or roadmap in terms of handling security challenges of transit/transshipment connectivity. In Bangladesh, people have several perceptions on security issues in allowing transit and transshipment facilities through Bangladesh territory to other neighbouring countries. They have not-so-good feeling about the security issue related to the transit/transshipment and corridor. Thus, if the Bangladesh government wants to give transit/transshipment/corridor facility to its neighbours, then at first the government should ensure the security of the whole transport connectivity. Many of the security concerns that voiced earlier were related to increases in smuggling of Indian goods and chances of Bangladesh's susceptibility to the insurgencies in Northeast India. These concerns should be taken into consideration.

Immediate steps, such as scanning containers, strict supervision of goods and containers, etc. need to be implemented as soon as possible. To identify illicit and contraband products, proper use of scanning machine is important. It will also reduce the chances of informal trade. Individual inspection by different authorities who are involved in the goods carrying process should be involved in scanning and supervising the process at both entry and exit point. Weighbridge or truck scale that used to weigh rail/road vehicles for calculating weight should also be installed at the entry and exit point to check overloading. Pilferage is another security concern in which a small part can be theft from large package or shipping container. Thus, pilferage prevention mechanism should be installed to ensure safe goods transport.³⁴

Bangladesh needs to maintain warm relations with its immediate neighbours and beyond the region for making any connectivity initiatives successful. "India factor" is always a crucial fact for Bangladesh foreign policy. Thus, it is always important for Bangladesh to maintain warm relation with India. In terms of connectivity, relations with India is of paramount importance. To be a connectivity hub, Bangladesh needs positive support from India.

Diplomatic negotiation capability is important for gaining any successful foreign policy objective. For connectivity purpose, Bangladeshi diplomats should gain skill and art of negotiation to assert the idea or proposal without damaging the relationship. Public diplomacy is very important in this regard.

Most of the people of Bangladesh do not have accurate knowledge about how Bangladesh government is using the transit/transshipment/corridor for connectivity purpose. There is even a lack of knowledge about the function of transit and transshipment. Therefore, more accurate and up-to-date information should be shared with mass people so that they can have a precise picture about all these connectivity initiatives.

³⁴ M. Rahmatullah, 2009, *op.cit*

Rail transportation is an important tool of connectivity. In Bangladesh's case, the railway is safer and cost-effective for long distance movement. Through transshipment by railway, security could also be better monitored. Since goods are carried in containers while carrying via railway, it is easier to do security check and scan. Bangladesh railway has some spare capacity and could be improved with minimal investment. There are also some gauge difficulties, but this could be managed with modern transshipment. Bangladesh railway has some constraints in terms of loop length in the border stations in Bangladesh which need to be solved. Lack of compatibility between the rolling stock of India and Bangladesh railway is also a problem. This problem should be dealt with immediate action.³⁵

Bangladesh's road transport system is still less developed. Most of the highways still have two lanes. Recently, Dhaka-Chittagong highway and Mymensingh-Joydebpur highway were upgraded into four-lanes. In terms of carrying capacity, Bangladesh's highways has axle-load limit of 8.2 compared to 10.2 tons axle load limit in India, Nepal and Bhutan. On the other hand, most of the trucks of India, Nepal and Bhutan have two-axle load capacity. Thus, these trucks with heavily loaded goods could not move on the Bangladeshi roads. Therefore, up-gradation of Bangladeshi highways is imperative in this context.³⁶

Air connectivity is another crucial way to connect places easily. Bangladesh needs to give focus on increasing air connectivity. There are either no direct flights or has a low frequency of flights among the countries in South Asia. Thus, for a stronger regional connectivity, air connectivity is a crucial one.

Waterways are also useful tools for transportation. Currently, 22 river ports are operational in Bangladesh. Recently, the Bangladesh government has gazetted 11 more new river ports.³⁷ Though there are a number of river ports, these are largely outdated since most of them have little up-to-date infrastructure, less or no equipment for weighing goods and no equipment for scanning goods. Recently, Ashuganj river port has been inaugurated for transshipment between India and Bangladesh, although it lacks enough equipment for weighing, scanning and monitoring system. Thus, to maintain connectivity initiatives through river ports, the government needs to take immediate steps for building up the necessary infrastructure for handling heavy goods, installing the scanning machine to check contraband goods. Moreover, these ports do not have weighing machine. Thus, for sustainable and safe transport, government should immediately install necessary machines and equipment.

Based on the 7th Five Year Plan, Bangladesh government needs to prioritise following action plans for a sustainable regional connectivity:

³⁵ *Ibid.*

³⁶ *Ibid.*

³⁷ Bangladesh Inland Water Transport Authority, website: http://www.biwta.gov.bd/website/?page_id=2

- Completing all the identified high-priority projects, including completion of the Padma bridge; conversion of important highways into four lanes; connecting important ports and economic zones to highways; completion of constructing the Payra seaport, the Moheshkhali LNG terminal and the Khan Jahan Ali airport; strengthening Biman's fleet capacity and management quality.
- Completing critical transport links in road, rail and river ways that are related to promote regional and multi-regional connectivity.
- Addressing security challenges and identifying relevant solutions to ensure safe transportation.
- Setting a logical pricing policy for using transit/transshipment through Bangladesh's territory.
- Developing a balanced 3R (rail, road, river) based multimodal transportation system.
- Participating actively in all regional and sub-regional connectivity forums.
- Setting up proper monitoring and evaluation system.³⁸

Apart from the 7th Five Year Plan, the government needs to focus on other issues as well for the promotion of successful regional and sub-regional connectivity. Such issues are includes:

- Promotion of intercultural learning which might erase out negative perception upon each other and develop a regional consciousness;
- Promotion of informal meetings and dialogues which might help in figuring out meaningful ways to resolve challenges that hamper connectivity initiatives; and
- Patronising socialisation process in the region by exchange of youth groups at school/college/university level under regional and sub-regional forum. It might help in developing new generation's understanding about the relationship among countries across the region. It might also help in mitigating many existing problems among countries.

In addition, contributions from expert, practitioner and academia have importance in making any kind of connectivity approach successful. It is more

³⁸ Seventh Five Year Plan, *Op.Cit.*

important for the policy makers to get innovative policy suggestions and advice from practitioners and academician regarding connectivity initiatives. Frequent engagement at national and international level among local and external experts could be productive in this regard. Public intellectuals across the region who have a significant national audience play a positive role in upholding connectivity issues to make awareness among the citizens. Thus, at first, connectivity among the intellectuals is needed to make a common forum of ideas to develop a regional discourse which in the long run will help upholding common regional initiatives. Bangladesh, pertaining to this issue, can take regular initiatives to arrange experts' engagement so that the connectivity issue does not go in vain.

Role of media is very important. Media can take a strong role for reshaping and correcting misperceptions related to connectivity initiatives. To promote connectivity and gain support from local people, media can use its wider broadcasting coverage to disseminate truth and positive stories. Media should also play crucial role in investigating any mishandle or security concerns related to connectivity initiatives.

There are notable opportunities for Bangladesh in establishing itself as a functional regional connectivity hub. Bangladesh and its neighbours will achieve a win-win situation if the connectivity system becomes fully operational. Although there are many challenges, but there are also options for addressing those challenges. If the connectivity centre-point becomes operational, donor countries and funding agencies/organisations might come forward to make this sustainable.

6. Conclusion

Bangladesh can be a leading connectivity hub if it utilises its unique geographical positioning and makes use of the opportunities in this regard. Using its unique geographical location, Bangladesh can contribute largely to the transport connectivity among her neighbouring countries. It is identified that although South Asia has all the potential for economic and social development, but due to the lack of regional connectivity, it is still lagging behind from other parts of the world. It is seen in the paper that Bangladesh has already been a member of many regional forums. Bangladesh can connect those forums and ease their initiatives by developing integrated connectivity network. Regarding transport connectivity, Bangladesh has the potential to facilitate regional transport network through full transit facility to the neighbouring countries through road, rail and water. By providing transport facilities to the neighbours, Bangladesh can trade its transport services as well. The trading of transportation services has no market in the South Asia region. By utilising this opportunity, Bangladesh can also reduce its trade gap with its neighbours.

A developed transport facility will also attract foreign investment in the country which is important for economic development. Bangladesh can also make

valuable contributions in several gas pipeline and power grid connectivity among neighbouring countries by providing a transit facility in its territory. This will largely help in mitigating energy shortage among the South Asian countries. Bangladesh will also largely benefitted by these initiatives since it will get a share of gas and power transferred through pipelines and grids and also get the transit fee. The developed transport network will also ease people-to-people connectivity which will eventually create scopes for education and cultural exchange among countries, promote tourism and create employment.

It is also revealed in this paper that for being a connectivity hub, Bangladesh has to address several difficulties and challenges, such as lack of strong and bold political decision for joining any connectivity initiative specially related to transit and transshipment, ensuring proper security in each and every connectivity initiative, setting trust among countries, etc. To tackle these challenges, several policy initiatives, such as experts' involvement, media engagement, massive upgradation of road, rail and air connectivity, setting warm bilateral relation with neighbours, and ensuring proper security measures are also suggested in this paper.

With all these relevant recommendations taking into consideration, the Government of Bangladesh needs to take effective action to tackle challenges and create a strong connectivity network so that it can notably contribute in making a regionally integrated South Asia. An integrated region can provide substantial benefit to its countries – small, big, landlocked, rich or poor and give access to the world market. This will ultimately help Bangladesh to achieve the upper middle-income country status with the huge success in the other social and economic development goals.