

# From Neighbours to Partners: India-Bangladesh Relations





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India-Bangladesh Relations



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# Background

**B**ANGLADESH is moving fast on the development highway. In recent times, it has been termed one of the developing world's greatest success stories. The pace of rapid improvement in all major economic, social and human development indicators has picked up markedly especially since 2009, when the Bangladesh Awami League formed Government under the leadership of Prime Minister Sheikh Hasina. The party pledged to implement 'Vision 2021' in their election manifesto, which was a promise to turn Bangladesh into a middle income country by the year 2021. This stands substantially realized as the Bangladesh economy, now growing at over 7% annually, saw its status change from that of a lower income one to a lower-middle income one in 2015, six years before the pledged deadline. Currently Bangladesh is the 31st largest economy in the world, and predicted to become the 28th largest one by 2030. The country is also like to graduate out of the least developed country status by 2024.

Over the last 8 years, owing to a host of social security measures and poverty reduction programmes of the Awami League Government, around 50 million people have graduated out of poverty in Bangladesh. Poverty rate is now 22.4% which was 38.4% in 2006. During the same period, the extreme or hardcore poverty rate has come down from 24.2% to 12%. The country has become a food self-sufficient nation from a food deficient one within eight years.

Quality and free education and grassroots primary health care are making people's lives better. With the participation of women increasing rapidly day by day in all sectors, the country is becoming a role model for the empowerment of women.

A host of large infrastructural undertakings and mega projects like the Padma Bridge, Rooppur Nuclear Power Plant and Dhaka Metro Rail are transforming the country's communications, transportation, ports and energy scenario. More people now have access to electricity than ever before, rising from 38% in 2006 to 78% currently. The Government has set its eyes on ensuring electricity for every household by 2021, under the 'Electricity for All' vision.

The country is going through a digital revolution. Announced in 2008, the Awami League Government's 'Digital Bangladesh' approach is working to make the country a technologically advanced nation. More than 120 million are using mobile phones while 67 million are accessing the internet, and both the numbers are climbing steeply. A total of 5,275 digital centers have been set up across the country providing digital services to the rural people living in the most remotest of parts. With the introduction of the country's first satellite, the country is set to enter the space age by 2017.

Bangladesh has also become an important and responsible member of the international community. Under the Awami League Government's motto of 'Friendship with All, Malice for None' and Prime Minister Sheikh Hasina's 21st century style of proactive diplomacy, the country has maintained an active international profile, especially since 2009. One of the thrusts of the current Government's foreign policy has been enhanced ties with neighbours and increased regional connectivity. As a result, in recent years, Bangladesh has given the utmost importance to its relations with its closest neighbour India, the country with which it shares a 2,545-mile-long international border, the fifth-longest land border in the world.

Given the historic, cultural and economic ties between India and Bangladesh, the two countries have always been more than neighbours, sharing not only common borders and rivers but also culture, language and heritage that was further bonded by shared memories and sacrifices during Bangladesh's Liberation War. Since the Awami League led government assumed power in Bangladesh in 2009, India-Bangladesh relations have continuously been elevated to newer heights. In recent years, cooperation between the two countries reached new peaks in such sectors as settling historical disputes, landmark diplomacy, bilateral and regional connectivity, power and energy, combating crimes and terrorism, trade and commerce, and management of water resources.

This booklet looks at some of the significant developments in Bangladesh-India relations, which have helped to transform the bilateral ties under the successive Awami League governments led by its leader Prime Minister Sheikh Hasina, especially in the last eight years, from that of neighbours to close partners.

# Diplomatic Breakthroughs

**L** **AND Boundary Agreement:** Due to the efforts of the current government and especially the determined focus of HPM Sheikh Hasina, one of the most perplex and longstanding border issues in the world was brought to a successful resolution in 2015 through the signing and implementation of the 'Land Boundary Agreement' (LBA) between Bangladesh and India. Although the deal was originally signed between Bangabandhu Sheikh Mujibur Rahman and the then Indian Prime Minister Indira Gandhi in 1974, successive governments in both countries could not tackle the political issues to successfully implement it. Hence, HPM Sheikh Hasina, placed resolution of the LBA as a top priority in her bilateral diplomacy strategy with India since coming to power in 2009.

Following Prime Minister Narendra Modi's visit to Bangladesh between June 6-7, 2015, during which time the 2011 Protocol and Instruments of ratification were exchanged, the path was paved for concluding the process. As a result, residents of 111 Indian enclaves in Bangladesh and 51 Bangladeshi enclaves in India have been exchanged and enclave residents on both sides of the border can now, for the first time, enjoy the benefits of nationality of India or Bangladesh, as the case may be. They can now access civic services, education, health-care and other facilities provided by the two Governments to their respective nationals. It was a watershed moment on the morning of 1 August, 2015 as the 68 years of stateless existence for over 51,000 enclave dwellers ended with hopes of a new beginning.



**Ganges Water Sharing Treaty:** India and Bangladesh share 54 common rivers. A bilateral Joint Rivers Commission (JRC) has been functioning since June 1972 to maintain liaison between the two countries to maximize benefits from common river systems. During the first tenure of Sheikh Hasina as the Prime Minister of Bangladesh, the Ganges Water Sharing Treaty was signed between the two countries on December 12, 1996. This agreement was signed in the Indian capital of New Delhi by the then Indian Prime Minister H. D. Deve Gowda and the Bangladeshi Prime Minister Sheikh Hasina. The treaty established a 30-year water-sharing arrangement and recognized Bangladesh's rights as a lower-level riparian. This was a successful bilateral diplomatic move as the issue had remained pending since 1982 for almost 14 years.

**Maritime Boundary Delineation:** By successfully arguing its case in the Hague-based Permanent Court of Arbitration in 2015, Bangladesh and India settled their long-standing maritime boundary dispute, and in the process, Bangladesh secured 19,467 square kilometres out of 25,602 sq km disputed area in the Bay of Bengal. Not only has the verdict settled the dispute, it has also opened up possibilities for amicable bilateral cooperation in the Bay of Bengal between the two countries, from which both countries stand to benefit. This is a very good example of a mature bilateral relation which looks at the long-term prospects of enhanced cooperation.



# Diplomatic and High Profile Visits



President Abdul Hamid and President Pranab Mukherjee (New Delhi, December 2014).

**H**IGH profile visits by dignitaries of the respective countries have always been noticeable under successive governments of Sheikh Hasina. The Prime Minister of India, Shri Atal Bihari Vajpayee, accompanied by a delegation which included the External Affairs Minister, Minister for Railways and Surface Transport and Chief Minister of West Bengal visited Dhaka on 19 and 20 June, 1999. The visit heralded a new dimension in bilateral relations and represented a significant step in facilitating people-to-people interaction between the two countries, after a hiatus of around 21 years.

Since Awami League assumed power in 2009, a number of landmark visits has taken place between the highest dignitaries of Bangladesh and India and high-level diplomacy has been infused with new levels of activism. This started with Prime Minister Sheikh Hasina's visit to India in January 2010 followed by the then Indian Prime Minister Manmohan Singh's visit to Bangladesh in September 2011. During this visit, the two countries signed the landmark Framework Agreement on Cooperation for Development, which reiterated the bases for India-Bangladesh relations in light of a new era.

Manmohan Singh's visit was followed by the visit of the Indian President Pranab Mukherjee to Bangladesh in March 2013, on his first trip abroad since assuming this post, standing testimony to the significance of the relationship between the neighbours. By the same token, Bangladeshi President Abdul Hamid paid an official visit to India from 18 to 23 December 2014. Additionally, on her



Prime Minister Narendra Modi and Prime Minister Sheikh Hasina (Dhaka, June 2015).

first overseas assignment after assuming office of Indian Minister for External Affairs, Sushma Swaraj visited Bangladesh in the last week of June 2014 which provided further momentum to the close and friendly relationship between India and Bangladesh.

Such visits opened a new chapter in the bilateral relations between the two countries. A new dawn of strengthening the existing relations was ushered with the visit of Indian Prime Minister Narendra Modi in June 2015. Leaders of the two countries also meet each other whenever the time permits on the sidelines of multilateral forums, the meeting during the BRICS-BIMSTEC Leaders' Outreach Summit in Goa in October 2016 being the latest such instance.

To regularize high-level policy discussions and negotiations, Bangladesh and India have started the Foreign Minister level Joint Consultative Commission (JCC) meetings from 2012. Bangladesh and India are also holding regular Joint Working Group meetings, in such areas as jute and textiles, fisheries, health sectors and customs. Regular bilateral consultations are taking place from official level to Secretary level to Minister level.

# People to People Contacts



Bangladeshi Youth Delegation with President of India (New Delhi, December 2016).

**VISITS and Residence:** People to people contacts between the two countries are now taking place at a rate faster than ever before. Record number of tourists from Bangladesh visited India in 2016. More than one million visas were issued by the Indian High Commission in 2016 for Bangladeshi nationals. This increase in travel is due to easing of access, simplification of procedures and better efforts to reach out to people all over Bangladesh who wish to travel to India by the Indian authorities. No one in Bangladesh with a confirmed journey ticket to India needs a prior appointment date to submit visa application now. A visa camp before the Eid holidays in June 2016 was organised by the Indian HC and more than 55,000 people got visas under the scheme. A similar camp was organised for students in October. About 10,000 Indian citizens are estimated to be living in Bangladesh for work and business purposes. Most are engaged in the Ready Made Garments (RMG) sector or as professionals in MNCs, Indian or Bangladeshi companies.

**Culture and Education:** Cultural cooperation between the countries has also been at their highest level in recent years. The Indira Gandhi Cultural Centre in Dhaka has been regularly organizing cultural activities since 2010. The IGCC also holds regular training courses in Yoga, Hindi, Hindustani Classical Music, Manipuri Dance and Painting. The courses are popular with Bangladeshi students. ICCR has instituted a Tagore Chair in Dhaka University since 2011. A 100-member Youth Delegation visits India annually since 2012. During Prime Minister Narendra Modi's visit, a cultural exchange pact was signed between the countries for screening Bangladeshi programmes on Indian television.

Scholarships are being granted by ICCR every year to students from Bangladesh for pursuing general courses in arts, sciences, engineering and also specialized courses for culture, drama, music, fine arts and sports etc. Scholarships and training programmes under ITEC, TCS of Colombo Plan, ICCR, AYUSH, Commonwealth, SAARC and IOR-ARC scholarships/ fellowship schemes are being offered to Bangladeshi nationals. Muktijoddha Scholarship Scheme has been extended by the Government of India to Higher Secondary-level students (200 scholarships) and Graduate-level students (478 scholarships). Bangladeshi Diplomats are also imparted training at Foreign Service Institute, New Delhi since 2011.

# Connectivity

**C**ONNECTIVITY between Bangladesh and India has reached new heights since Bangladesh Awami League came to power in 2009. Several connectivity agreements between the two countries have been executed during this period, while older agreements have been renewed, with appropriate modifications where necessary.

**Rail Connectivity:** During the last eight years, services of the Maitree Express, the only rail service between Dhaka and Kolkata, has been extended by increasing frequency of services. Talks are underway for further extension of this service, which officially resumed rail connectivity between the two neighbouring countries after a 43 years gap in 2008. During his visit in 2015, Prime Minister Modi announced that India will construct a modern International Passenger Terminal (IPT) at a suitable location in India so as to facilitate customs and immigration requirements of passengers travelling on the Kolkata-Dhaka Maitri Express and other trains that are to connect India and Bangladesh.

As part of efforts to further improve rail communication, five rail routes are to be launched between Bangladesh and India in phases by 2018. Freight services will begin on the route from Biral in Dinajpur to Radhikapur in West Bengal and passenger services on Khulna-Kolkata route via Benapole. The other three routes are Shahbazpur-Mahisasan, Akhaura-Agartala and Chilahati-Holdibari routes, which will be used for carrying goods. Other routes being considered are Feni-Belonja, Burimari-Changrabandha and Banglabandha-Siliguri. At present, three rail routes are operational between the two neighbouring countries. The route from Darshana in Chuadanga to Gede in West Bengal is used for carrying both passengers and goods and the other two - Benapole-Petrapole and Rohanpur-Singhabad routes - for freight services.

**Bus Services:** Recently, Bangladesh and India have begun a new bus service connecting Khulna and Kolkata, opening up a new horizon in the road connectivity between the countries. It is the third direct bus service between the neighbours after Dhaka and Kolkata, and Agartala and Dhaka. It should be noted that it was during Sheikh Hasina's first tenure as Prime Minister that the bus route between Dhaka and Kolkata was opened as a result of signing of the Agreement for Regulation of Motor Vehicle Passenger Traffic and its Protocol in June 1999 with Prime Minister Vajpayee.

On 22 May 2015, trial run for the direct bus service between Dhaka, Bangladesh and Guwahati, India via Shillong started, with the hopes of regularizing the service. On June 1, 2015, trial run of direct bus service between Kolkata-Dhaka-Agartala also began. Bangladesh Cabinet has already approved the draft deals for regularizing these services. Agreements have also been signed for air connection between Dhaka and Guwahati.

**Coastal and Inland Water Transit:** In May 2016, India and Bangladesh launched coastal shipping to allow river vessels to carry cargo between the two countries, the agreement for which was signed during the visit of the Indian Prime Minister. This arrangement is providing boost to trade between the neighbours manifold and taking advantage of the proximity the cost of transportation will be greatly reduced. The two countries have also extended their Protocol on Inland Water Transit and Trade Agreement - first signed under Bangabandhu - which is not only enhancing trade but also facilitating greater investments in transport infrastructure through public-private partnerships. Under the new agreement, Bangladesh will be allowed the use of channels for trade with other countries like Nepal and Bhutan. The agreement came into effect in June 2016, when a the vessel carrying Indian goods consigned for Tripura marked the official transit to India's north-east via the



inland waterways of Bangladesh. Now, the direct route is around 620 nautical miles, down from 3,000, which has also cut the trade cost by nearly 50%.

**Direct Shipping:** In March 2016, a new era was heralded in India and Bangladesh with the launch of direct shipping. The direct shipping service was launched between Krishnapatnam and Chittagong ports at a ceremony held at the Krishnapatnam port in India. Named after the Krishnapatnam-Pangaon weekly direct service, the new shipping line was welcomed by the traders on both sides as it would greatly reduce the transit cost and also saves a lot of time. The direct service is expected to significantly reduce transportation cost and infuse fresh dynamism on the export business between both countries.

**Border Cooperation:** In July 2016, the Governments of India and Bangladesh stepped up with an agreement that merged the busiest land check-post at Benapole-Petrapole, easing the movement of people and goods, let alone lifting up their relations a notch higher. Prime Ministers Sheikh Hasina and Narendra Modi opened the new 'Petrapole Integrated Check Post' (ICP). The integrated post is aimed at eliminating infrastructural bottlenecks to achieve effective and efficient security, immigration, customs, and quarantine functions.

# Regional Connectivity



Indian and Bangladeshi Prime Ministers with BIMSTEC Leaders (Goa, October 2016).

**C**OOPERATION and connectivity between India and Bangladesh has also received, and will continue to receive further boost from Bangladesh's proactive stance on enhancing connectivity in South and Southeast Asia. Bangladesh is playing a leading role in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), which groups together Bangladesh, India, Sri Lanka, Thailand, Nepal, Myanmar and Bhutan in a forum for multilateral cooperation. Since 2014, the secretariat for this group has been hosted in Bangladesh.

On June 2015, Bangladesh, India, Bhutan and Nepal (BBIN) signed an agreement to ensure seamless travel of transports between the borders of these countries. The BBIN Motor Vehicle Agreement, based after the EU model, envisages uninterrupted transit of passenger, personnel and cargo vehicles between the said countries.

During the visit of Prime Minister Narendra Modi in 2015, the renewed bilateral trade agreement was signed, which allows both countries transit through each other's territories. This is expected to usher in a new era of regional connectivity. Under the deal, Bangladeshi vehicles would be able carry goods to Bhutan and Nepal through Indian territories while India can transport cargo through

Bangladesh, from the mainland to its northeastern states. Bangladesh was also instrumental in pushing for the SAARC deal on energy cooperation. In November 2014, the eight South Asian countries signed the Framework Agreement on Cooperation in Power Sector in Kathmandu, Nepal.

Further regional cooperation between Bangladesh and its neighbours is expected in the implementation of the planned concept of “Blue Economy” now that the country is in receipt of large new marine territories as a result of the maritime verdict arbitrations with India and Myanmar. To that end, the premier educational institution in Bangladesh, Dhaka University, has signed an agreement for joint research in the Bay of Bengal with an Indian research institute during Prime Minister Narendra Modi’s visit in June 2015.

India, Nepal and Bangladesh: In February 2016, India and Nepal signed an agreement that will, among other things, allow trade transit between Bangladesh and Nepal. Rail transit facility will be operationalised through Singhabad in India for Nepal’s trade with and through Bangladesh, according to the letter of exchange signed after Nepal’s Prime Minister KP Oli’s talks with his Indian counterpart Narendra Modi. The transit between Nepal and Bangladesh will be through the Kakarbitta (Nepal)-Banglabandha (Bangladesh) corridor. It will simplify modalities for traffic of cargo between the two countries.

# Power and Energy

**ELECTRICITY Import from India:** The last eight years has seen Bangladesh and India power cooperation opening up a new chapter on an unprecedented scale. Tripura has been supplying 100 MW of electricity to Bangladesh since March 23, 2016, in addition to the 500 MW the country is receiving from West Bengal since 2013. Talks are currently underway for importing further 100 MW electricity from India. The impetus for greater power sector cooperation between Bangladesh and India was received from the bilateral Framework Agreement signed by Prime Minister Sheikh Hasina and the then Indian Prime Minister Manmohan Singh during the latter's visit to Dhaka in September 2011.

**India-Bangladesh Oil Pipeline:** In June 2015, a MoU and Sale Purchase Agreement was signed between Numaligarh Refinery Ltd (NRL) of India and Bangladesh Petroleum Corporation (BPC) for construction of a pipeline from Siliguri, India to Parbatipur, Bangladesh for supply of High Speed Diesel to Bangladesh. The two Prime Ministers directed the officials in both countries to quickly finalize the terms for establishment of the Joint Venture Company which will construct and operate the pipeline. Currently, a joint feasibility study is being conducted by the two countries for the construction of a 129-kilometer cross-country petroleum pipeline.





**Rampal Power Plant:** In August 2010, Bangladesh's Power Development Board (PDB) and India's state-owned National Thermal Power Corporation (NTPC) signed a MoU to set up a 1,350 megawatts coal powered mega power plant at Rampal, Khulna, followed by an agreement signed in January 2012 to implement the \$1.82 billion project. A joint venture company of NTPC and the BPDB has started the installation work of the plant, which is likely to go into operation by 2019. The Rampal power plant is an outstanding example of joint venture in power generation between the two countries. Government of India has also offered Bangladesh buy from, or enter into jointly with India, in various hydroelectric projects planned by India in the northeast of India.

**Major Deals for Future:** During the visit of PM Narendra Modi, two Indian power giants struck deals with Bangladesh for building plants producing a combined 4,600 megawatts of electricity in Bangladesh. Under the deals, separate memorandum of understanding (MoUs) were signed with Reliance Power Limited to develop four units of power plants to produce 3,000 MW of electricity with a cost of \$3 billion and with Adani Power Limited to set up two coal-fired plants with a total capacity of 1,600 MW that will cost more than \$1.5 billion. The gas fired power plants would take 13 months to complete construction after final agreements had been reached.



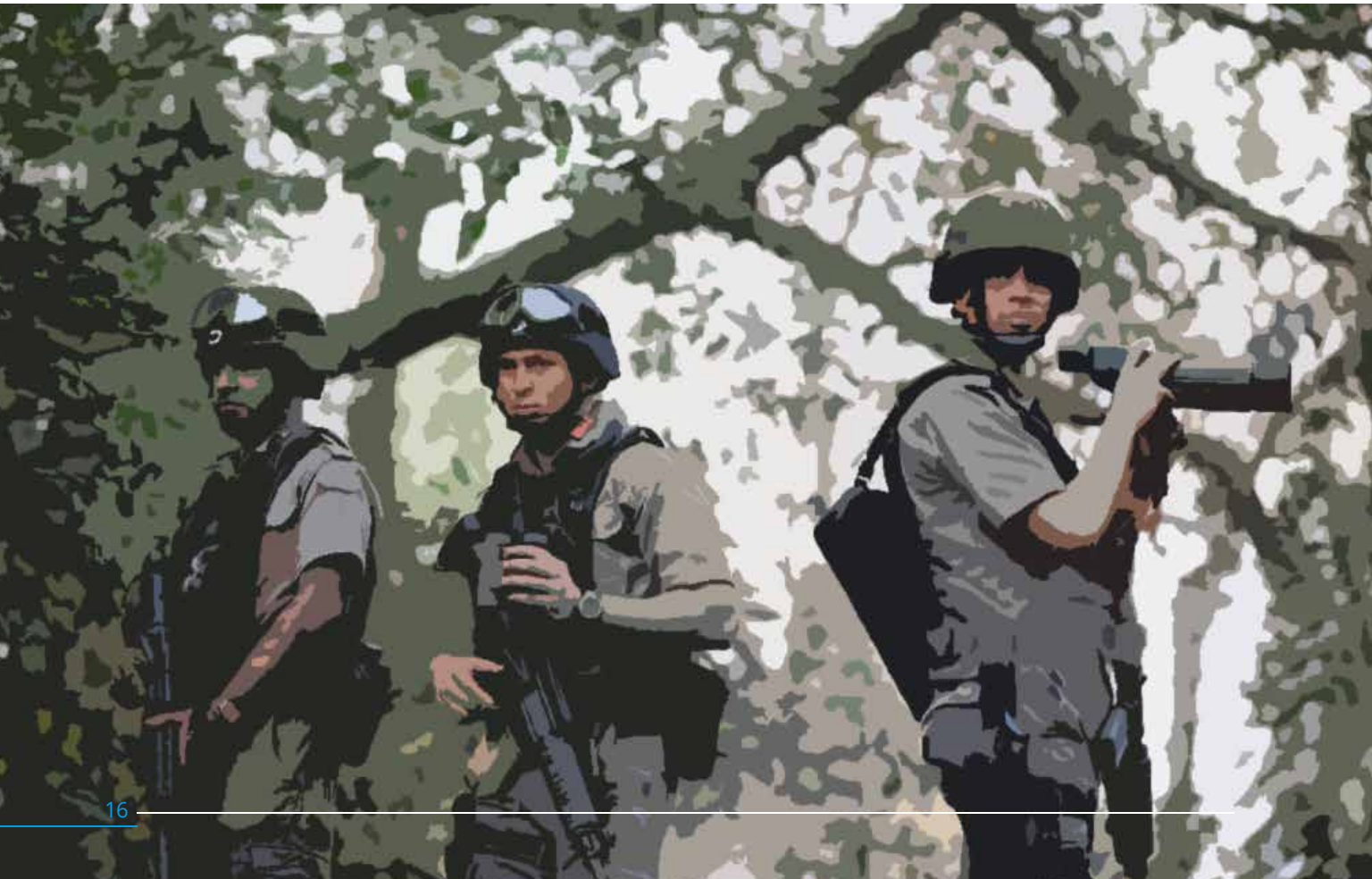
Proposed India-Bangladesh oil pipeline.

# Law Enforcement and Counterterrorism

**U**NDER Sheikh Hasina's bold and courageous stance on terrorism and militancy, Bangladesh ceased being a safe haven for local, regional and international terrorists, notoriety the country achieved during the last BNP-Jamaat tenure of 2001-06. The successive Awami League led governments has achieved this feat through a combination of legal and social measures, including enactment of several tough anti-terrorism legislations.

Security cooperation between the two countries received the first boost when Prime Minister Sheikh Hasina visited New Delhi in January 2010, during which time three agreements were signed, namely: Mutual Legal Assistance on Criminal Matters; Transfer of Sentenced Persons and Combating International Terrorism, Organized Crime, and Illicit Drug Trafficking. The cooperation currently rests on a three-tiered system, from official level, to Secretary-level to Ministerial-level.

There are sector-wise Task Forces, which work with aim to cooperate on specific issues, such as Task Forces for combating smuggling of Fake Currency Notes and Human Trafficking. Recently, the Indian Cabinet in May 2015 has approved a Memorandum of Understanding (MoU) between the two countries to prevent human trafficking and ways to reintegrate the victims with their families. In January 2013, Bangladesh signed an extradition treaty with India for disrupting the regional connections and networks between terrorist and militant outfits in South Asia.



Bangladesh and India are implementing a Coordinated Border Management Plan (CBMP) and have increased joint patrolling in its long and porous mutual border to curb various criminal activities, including terrorism and trafficking. There has also been significant reduction in the number of border killings. Enhanced cooperation among border officials have been ensured through holding regular meetings between DCs/DMs of bordering districts of the two countries.

Bangladesh in particular has been lauded by India for its role in countering subversive activities by various Indian separatist groups operating from, or at least using, Bangladeshi territories significantly. Bangladesh's crackdown on separatist outfits from Assam and Tripura have resulted in their networks being dismantled, arrest and handover of several high profile terrorists and arrest and trial of other such troublemakers. The security forces in Bangladesh have continuously raided dens of such outfits with much success, seizing arms and ammunitions.

Bangladesh and India are also considering signing a deal that will see them join forces in the fight against international terrorism in cyberspace. Bangladesh's State Minister for Post and Telecommunications Tarana Halim has held discussions with her Indian counterpart Manoj Sinha in New Delhi in this regard in July 2016. The two countries will sign a MoU to this end soon and there are plans to bring other SAARC countries under this arrangement.

# India-Bangladesh Trade and Investment

**H** **OST of Trade Friendly Measures:** Trade relations between India and Bangladesh have witnessed a significant improvement in the recent past. In 2011, India decided to grant zero duty access to all goods from Bangladesh and this has opened new opportunities for expansion of bilateral trade. India has granted zero-duty, quota free access to Bangladesh's exportable items to its market including 46 RMG items (except for 25 items on the SAFTA negative list). The Standard Operating Procedure signed in August 2010 has been made operational which allows trucks carrying bilateral cargo to cross up to 200 meters beyond the zero line and unload cargo at the warehouses. Establishing new Land Customs Stations (LCSs) and improvement of existing infrastructural facilities of the LCS, land ports has also helped boost bilateral trade. Other measures in this regard include harmonization of standards and mutual recognition of certificates, removal of non-tariff and para-tariff barriers and so on.

**Rising and Balanced Trade Volume:** Between 2001-2008, Bangladesh's earnings from exports to India stood at US\$ 1256.24 million, which has more than doubled to US\$ 2870.21 million between 2009-2015. Indo-Bangladesh trade has increased from about US\$ 3 billion to over US\$ 6 billion in 2015. More significantly, Bangladesh's export to India has increased to bring the trade imbalance from 1:10 down to 1:8.5 over the same period. Indian exports to Bangladesh have also doubled in the last five years, with earnings worth more than \$6 billion during that period.

**Record Indian Investment:** The net inflow of foreign direct investment (FDI) from India to Bangladesh stood at \$102.7 million, for the first time, in 2015, ushering in a new era of bilateral trade cooperation between the countries. The central bank data also showed that financial and textile sectors shared almost 50% of total Indian FDI last year. More efforts are underway to reform the industry-related policies, including taxation, duty, etc. to draw greater number of international business in this country.

**Bandwidth Export:** Bangladesh Cabinet in April 2015 cleared an agreement to export 10 GBPS unused submarine cable bandwidth to India that will fetch the nation \$1.2 million every year. On 23 March 2016, Bangladesh launched export of bandwidth through a video conference between Prime Minister Sheikh Hasina and her Indian counterpart Narendra Modi. Bangladesh launched supply of 10 GBPS bandwidth from Cox's Bazar to Tripura's capital Agartala. This is part of Sheikh Hasina's view that "interconnectivity" is the "next frontier" of bilateral cooperation with nextdoor India.

**Border Haats:** To rejuvenate trade and commerce along the massive border shared by the two countries, the concept of "border haats" (bazaars) was introduced, which allows local producers and traders from both sides of the respective borders to trade locally produced commodities and products. Currently, four border haats are operational, along the India-Bangladesh border. Two border haats are located in Meghalaya at Kalaichar and Balat and two are located in Tripura at Srinagar and Kamalasagar.

**Standardization:** During Prime Minister's Modi's visit, Bangladesh and India signed a bilateral cooperation agreement for cooperation in the field of standardization. Under the agreement, Bangladesh Standards & Testing Institution (BSTI) and Bureau of Indian Standards (BIS), the standards institutions of the two countries would acknowledge the standards-related certificates of each other boosting bilateral trade and commerce. Both the BSTI and BIS are taking steps within a stipulated time to test the standards of goods and items on mutual agreement, speeding up the decision



**\$102.7 Million**  
Indian FDI in Bangladesh  
in 2015

**4 Border  
Haats**

**\$2 Billion  
LoC**

**\$1.25 Billion**

**\$2.87 Billion**

2001-2008 2009-2015

Bangladesh's  
**Exports to India**

2008  
**\$3 Billion**

2015  
**\$6 Billion**

**Trade Between  
Bangladesh and India**

making process. Additionally, both the organizations are bringing similarity into the standards testing process of each other in a bid to bring procedural consistency and uniformity through consultations.

**Economic Zones for Indian Investors:** Bangladesh has signed an agreement with India to develop two economic zones for Indian investors to boost investment from its neighbour. The zones will be set up in the port city of Mongla and Bheramara, Kushtia. Funding for these zones will come from the \$2 billion Line of Credit (LoC) offered by India to the Bangladesh government. The government of Bangladesh will provide the requisite lands for these projects either through leasing or equity participation. Further details about these ventures will be agreed between the two countries.

**Line of Credit:** In 2010, during the visit by then Prime Minister Manmohan Singh, Bangladesh received a \$1 billion Line of Credit (LoC) from India. The soft loans were used to finance 14 development projects, particularly infrastructure building. The LoC represented the single largest loan to Bangladesh from any nation, development bank or donor agency. Following from that, during the visit of Indian Premier Narendra Modi in 2015, India provided Bangladesh with a fresh \$2 billion LoC, to be used for connectivity-related projects to increase trade between the two countries. The new LoC covers projects in the areas of Roads, Railways, Power, Shipping, Special Economic Zones, Health & Medical Care and Technical Education.

# Indian Leaders on Sheikh Hasina

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“

The strong leadership of Sheikh Hasina has set Bangladesh on the road of progress and prosperity.”

Indian President **HE Pranab Mukherjee**



“

Bangabandhu founded Bangladesh and his daughter Sheikh Hasina saved it.”

Honorable Prime Minister of India **Narendra Modi**



“

Sheikh Hasina’s government has not just denied terrorist and militant groups shelter; it has actively intercepted them, arrested their leaders, and even handed wanted terrorists over to the Indian government.”

**Shashi Tharoor M.P**, Chairman of the Parliamentary Standing Committee on External Affairs, India



“

Sheikh Hasina is one of the rare leaders who can really be described as a true leader of the people not only in her country but in the entire sub-continent.”

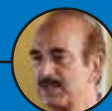
**Vinay Prabhakar Sahasrabudhe MP**, Vice-President of Bharatiya Janata Party



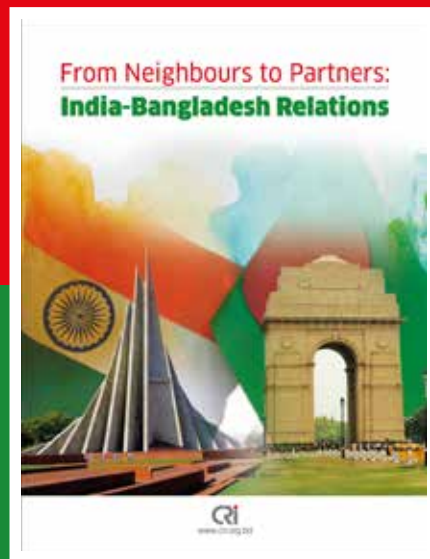
“

All parties in India appreciate Sheikh Hasina’s stance against terrorism. We look forward to your role as one of the tallest leaders in the fight against terrorism and to save this sub-continent from its menace.”

**Ghulam Nabi Azad MP**, Indian National Congress leader







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