

**Government of Tripura**

Speech by

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at

Stakeholder Consultation on Indo-Bangla Trade:  
Focus on North East

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At the outset, I would like to express my sincere thanks to CUTS International for taking the initiative to organize this Conference on a subject of great significance for both India and Bangladesh. This will greatly contribute to the ongoing process of Indo-Bangladesh cooperation.

2. The North-Eastern part of India and Bangladesh were closely integrated with each other prior to the partition of the country. Bangladesh is the immediate neighbour for the North-East India. In the pre-partition days, the North-Eastern Region had close connectivity with Bangladesh through road, railways as well as waterways. The economy of the North Eastern Region was integrated with the economy of Bangladesh. The people of North-East India (and specially the people of Tripura) share close relations with the people of Bangladesh at various levels.

3. The partition of the country snapped the historic ties between the North-East India and Bangladesh – to the disadvantage of both the sides. The North-Eastern Region is now connected to the rest of India through a narrow corridor via Siliguri. The economy of the North-Eastern Region suffers due to the geographical isolation. The goods have to be transported from the mainland India to the North-Eastern Region at a very high cost of transportation. The Bangladesh also lost an important market that the North-East India could offer.

4. However, over last few years, things have started changing for the better. India and Bangladesh are cooperating on various issues. The recent visit of Her Excellency the Prime Minister of Bangladesh, Sheikh Hasina, has opened new vistas for closer ties between India and Bangladesh. Under the South Asia Free Trade Agreement (SAFTA), which came into effect on 01.01.2006, the tariff and non-tariff barriers have started coming down. India has already reduced tariff rates to 0% since 01.01.2008 for Least Developed Countries (LDCs) of SAFTA except for certain 'sensitive items'. This is helping in building a favourable environment for promotion of trade between India and Bangladesh.

5. There is a great potential for increasing trade and investment between Bangladesh and the North-East India, which are, in fact, natural markets for each other. The North-East India, with a population of about 43 million and market size of about 20 Billion US Dollars, offers an attractive opportunity to Bangladesh. The North-East India has rich natural resources like various horticultural and plantation crops (including rubber), which could be of interest of Bangladesh. Currently, Bangladesh has a larger volume of trade with China as compared to India. There is no reason why India cannot become the largest trading partner of Bangladesh, if the process of cooperation under SAFTA is further intensified and all the barriers to trade and investment are removed.

6. Within the North Eastern Region, Tripura is strategically located. Tripura, with population of about 3.5 million, is also a fairly large market of the size of about 2 Billion US Dollars. Tripura shares long common border of about 856 km. with Bangladesh and most of important cities of Bangladesh, including Dhaka, Chittagong, Sylhet and Comilla, are within 150 kms of the Tripura border. Chittagong Port is only about 75 kms from Sabroom in Tripura. The official trade between Tripura and Bangladesh has increased more than 3 times in last 3 years and was about Rs. 150 crores during 2009-10. Thus, Tripura can play a crucial role in increasing the economic cooperation between the Bangladesh and North-East India.

7. However, for the trade and investment to grow, connectivity is of crucial significance. During the recent visit of Her Excellency the Prime Minister of Bangladesh to India, both the countries have signed agreements to improve the connectivity. Bangladesh has agreed to allowing India the use of Chittagong Sea Port, declaration of Ashuganj as Port-of-Call, establishing Agartala-Akhaura Rail Link and opening of Sabroom-Ramgarh Land Custom Station. India has also agreed for reciprocal concessions in the field of power by establishing inter-grid connectivity and supplying 250 MW of power to Bangladesh and providing one Billion US Dollar Line of Credit for Infrastructure Project in Bangladesh. These are path-breaking agreements of historic nature and hold the promise of completely transforming the economic relations between Bangladesh and the North East India.

8. While both India and Bangladesh have started working on implementation of these agreements and some progress has already been made, there is an urgent need to expedite the process. I am confident that this Conference organized by CUTS International will greatly help in taking the process further.

9. I take this opportunity to highlight some more issues concerning connectivity between Bangladesh and North-East India (and particularly Tripura). With the increase in trade between Bangladesh and North-East India, the movement of people between the two countries has been increasing and the same is bound to increase further in future. There is an urgent need to establish Air Connectivity between Bangladesh and North-East India involving Agartala, Dhaka and Kolkata. Similarly, the Maitree Express train service which is running between Kolkata and Dhaka should be extended upto Akhaura (and later on, upto Agartala, when the Agartala Akhaura Rail Link is established). Also, a direct Bus Service from Agartala to Kolkata, via Dhaka, should be considered for the convenience of the passengers. The two countries could also explore the possibilities of reviving the inland waterways links which existed in the pre-partition days, like the Gumti-Meghna river network.

10. The State of Tripura has always been working actively for closer ties between the North-East India and Bangladesh and will continue to play this role in future. I am confident that deliberations during the course of the day will greatly contribute to accelerating the ongoing process of cooperation between the North-East India and Bangladesh. I wish the Conference all success.

Thank you all.