

Regional Policy Dialogue

Connectivity and Trade Facilitation in Bangladesh, Bhutan, India, Nepal (BBIN) Sub-region of the Indo-Pacific

September 04, 2019, Dhaka, Bangladesh

Objective

An effective public-private dialogue between and among countries of the BBIN sub-region of the Indo-Pacific is essential for positioning the BBIN Motor Vehicles Agreement (MVA) as a catalyst for connectivity and trade facilitation.

Therefore, this Regional Policy Dialogue will deliberate on possible implementation challenges of the BBIN MVA by drawing insights from various stakeholder groups and chart out specific and prioritised solutions and action agenda for these countries to adopt individually as well as collectively. There will be particular emphasis on the participation of the private sector in this process, and the inclusion of women as well as other marginalised and vulnerable communities, which will directly and/or indirectly be impacted.

Background and Context

Slow growth of trade in the BBIN sub-region can be explained by inadequate attention paid to connectivity and trade facilitation requirements, particularly for cross-border trade linking production centres with multi-modal routes. The sub-optimal nature of present connectivity and other integration efforts further contributes to the under-utilisation of the sub-region's economic potential.

Bridging this gap between the current and potential situation can improve the economic status of millions of inhabitants of this sub-region, which still accounts for the largest concentration of poor and marginalised population in the world.

Faced with the challenge of slow progress in regional integration efforts and a changing geo-economic landscape, where the world seems to be increasingly turning towards the Indo-Pacific to drive tomorrow's engines of growth and economic prosperity, in June, 2015, the Governments of Bangladesh, Bhutan, India and Nepal signed a Motor Vehicles Agreement to facilitate easy movement of cargo and passenger vehicles with an ultimate aim to facilitate seamless cross-border connectivity.

Implementation of this agreement, however, has faced several challenges to implementation on socio-economic, political, geographical and environmental grounds and, hence, they have to be taken into account to move ahead and realise gains from the MVA.

Therefore, with the purpose of creating a better-informed political economy discourse for an effective implementation of this agreement, CUTS International, along with its partners in Bangladesh, Bhutan and Nepal, and with support from the U.S. State Department, conducted a project that aims to create an enabling environment and inclusive policy discourse to facilitate trade, transport and transit connectivity between and among the BBIN group of countries.

The project has made an attempt to estimate gains from acceding to international conventions on transit facilitation, identified infrastructural, political, policy-related, and social challenges, which result in wastage of time, money and other resources while engaging in cross-border trade, and suggested possible solutions towards effective implementation of the BBIN MVA.

CUTS' work highlighted the gains in terms of reduced costs of trade, greater employment opportunities for local workers, enabling the underprivileged to access new opportunities, and bringing economic prosperity to all, including women and underrepresented groups, that can be accrued from a more enabling environment for connectivity and trade facilitation.

One of the major issues that may pose a possible hurdle to effective implementation of the BBIN MVA is that a majority of stakeholders in rural and remote locations of these countries lack awareness and knowledge about such enabling policies/frameworks and their positive outcomes. Some groups of stakeholders are even apprehensive about possible negative consequences regarding their own employment.

Thus, keeping in mind various socio-economic and political economy aspects of connectivity and trade facilitation in the BBIN sub-region, this Regional Policy Dialogue will:

- deliberate on how the implementation of the BBIN MVA can serve as a catalyst for multi-modal connectivity and trade facilitation in the BBIN sub-region in particular, and for collectively fostering their trade and economic links in the Indo-Pacific;
- impress upon policy-makers about the urgency to generate grassroots awareness about positive outcomes of the implementation of the BBIN MVA and mitigate its possible negative impacts; and
- urge governmental and inter-governmental agencies and bilateral development partners to expedite the upgrading/establishment of various infrastructural facilities to ensure that the BBIN MVA takes off in earnest on the ground.