Initiatives on Transport Connectivity by Subregional Organisations of Southern and Central Asia

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BIMSTEC-at a glance

• The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) was established as an interregional grouping in June 1997 with the Bangkok Declaration.
• Its seven country membership comprises Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand.
• The objective is to accelerate economic growth and social progress in the sub region through joint endeavors. Further, to cooperate more effectively in joint efforts that are supportive of and complementary to national development plans of Member States.
• Secretariat has been established at Dhaka, Bangladesh and is operative since September 2014.
BIMSTEC-at a glance

- BIMSTEC is a market of almost 1.7 billion people, 1/5\textsuperscript{th} of the world’s total.
- BIMSTEC brings together US$ 3 trillion economy which accounts for only 4% of global GDP (2016) and 3.7 % of global trade.
- While total trade volume is US$ 1295 billion, intraregional trade was only about US$ 37 billion in 2014 (2.86%) , much less than other similar regional groupings in the world. Intra BIMSTEC trade is growing at around 0.62%.
- GDP growth in BIMSTEC (approx 6%) much higher than world’s (2.5% in 2016)
- FDI inflows which was US$ 8 billion rose to US$ 61 billion in 2015.
- Geographical contiguity, abundant natural and human resources, rich historical linkages and shared cultural heritage define BIMSTEC.
- BIMSTEC’s potential in enhancing trade among the Member States lies in geographical contiguity and common coastal link with the Bay of Bengal and the Eastern coast of the Indian Ocean.
BIMSTEC-at a glance

- BIMSTEC Members are at different levels of development, 4 LDCs .
- 14 identified sectors of cooperation each sector being led by a Member State.
- BIMSTEC is a member driven organization with the Secretariat acting as a facilitator.
- 5 Member countries of BIMSTEC are also members of SAARC and 2 Member States are part of ASEAN, 6 Member States also members of SASEC(South Asia Sub-regional Economic Cooperation) .
- BIMSTEC bridges the gap between South and South East Asia.
- BIMSTEC does not have a laid down charter. Bangkok Declaration and directions of the leaders are the guiding principles.
BTILS

• BTILS- BIMSTEC Transport Infrastructure Logistics Study- first major initiative in the Transport sector
• The study was completed with Asian Development Bank (ADB) funding in November 2007.
• The BIMSTEC Working Group recognized in March 2011 that since the BTILS had been undertaken in 2007 there had been significant changes, both in relation to global and intra-regional trade and in the respective national and regional transport environments. The working group requested ADB to conduct an update and enhancement of the BTILS reflecting these changes and extending the planning time frame forward to 2020, including assessing the future effect of the various trade-related initiatives impacting the region.
• The overall study was expected to generate four key outputs:
  – a profile of the transport and logistics environment in the Member States, focusing on international connectivity, both among the BIMSTEC Member States and their access to external markets;
  – recommendations on future BIMSTEC policies and strategies designed to enhance connectivity and promote the development of intra-BIMSTEC trade;
  – identification of relevant “hard” and “soft” infrastructure projects whose realization would enhance BIMSTEC connectivity and trade; and
  – recommendations on an effective institutional mechanism to monitor and facilitate the implementation of the agreed BIMSTEC policies, strategies, and priority projects.
BTILS-contd.

• BTILS has identified 166 projects as being 'important' in a national context. Out of this, 65 projects have been identified as priority projects.

• **Priority Projects [ 2014-2020]**
  
  – **Country**  Projects
  – Bangladesh    16
  – Bhutan        4
  – India         17
  – Myanmar       9
  – Nepal         6
  – Sri Lanka     5
  – Thailand      8

• BTILS-identified projects are national projects of the country concerned, either ‘governmental’ or donor infrastructure development programs.
BTILS-contd.-Road projects

- Road transport alone caters for 65-70% of all freight movement in the BIMSTEC sub region.
- All BIMSTEC states are members of Asian Highway (AH) initiative. Road Connectivity is uneven.
- BTILS identified 36 projects in the Road Sector:
  - Upgrading of Border Roads: 10 Projects
    - [BAN-1, Ind-2, Myn-4, Nep-2 Thai-1]
  - Upgrading of Port Access Roads : 7 Projects
    - [Ind-3, Myn-1, SL-2 Thai-1]
  - Enhancement of Arterial Link to Borders and Ports : 15 projects
    - BAN-5, BTN-1, Ind-7, Myn-1, Nep-1
  - Coordination of Road Programs
    - Development of the Trilateral Highway (IND/MYA/THA)
    - New border link Mae Sot/Myawaddy (MYA and THA)
- Lack of Through transport (2 projects)
BILS-contd.-Railways

• BIMSTEC region is home to one of the largest rail networks in the world, stretching around 80,000 kilometers of route length and more than 130,000 kilometers of track length.

• Railway Network in member countries is not in harmony; Meter gauge (BD, Myanmar and Thailand) and Broad gauge (India and Sri Lanka).

• Two key findings of BILS:
  – Rail is becoming less important to intra-BIMSTEC transport
  – Each of the rail network operates independently. There is limited evidence to suggest commonality of issues with respect to international services and therefore development of a regional dimension to rail infrastructure is difficult.

• BILS identified 12 projects in the Railway Sector.
  – Rail Connectivity to Landlocked Countries: 5 projects [India-Nepal]
  – Enhanced Rail Connectivity between Ports and their Hinterland: 7 projects [BAN-5, Ind-1, Thai-1]
BTILS-contd.-Aviation projects

• BTILS findings:
  – There are major programs for airport development in all seven Member States and therefore it is clearly an area where BIMSTEC should have some policy.
  – Common interest in development of LCC market

• BTILS has recommended 9 projects under the following captions:
  – Expansion of Airport Capacity: 6 projects [BN-1, BTN-1, Myn-1, SL-1, Nep-1, Thai-1]
  – Development of Freight Services and Facilities: 2 projects [Ind-1, BTN-1]
  – Development of Support Facilities for LCC Operations: 1 project [Bangladesh]
BTILS-contd.- Marine Transport

• BTILS identifies a common constraint in the region:
  – Access to deeper water to enable large vessels to call and the container handling performance at some of the key ports in the Bay of Bengal.

• BTILS recommended projects are:
  – Development of Deeper ware Ports: 7 projects [BN-1, Ind-1, SL-2, Thai-3]
  – Container Handling at Bay of Bengal Ports: 2 projects [Ind-1 (Kalkata), Mynmar-1 (Thilawa)]
BTILS-contd.-Trade Facilitation

• BTILS proposed breaking bottle-necks in non-tariff barriers like lengthy administrative procedures, unnecessary documentation requirements, lack of automation, lack of harmonization of trade regulations, and through transport and transit arrangements.

• One study shows. Intra-regional trade in SA could rise by as much as 60%, and region's trade with the world could grow by 30% if trade facilitation systems could be raised to intl standards

• BTILS recommended projects are:
  – Development of Border Infrastructure : 4 projects: [BN-1, Ind-1, Thai-Myn border-1, Nep-1]
  – Construction of Inland Container Depots (ICDs) : 4 projects[ BN-1, BTN-2, Myn-1]
  – Simplification and Harmonization of Import/Export Document:
    • possible SASEC project business process analysis extension
  – Further Development of Automated Systems:
    • Customs IT upgrades in BD, BTN, Myn and Nepal
    • Development of national single windows in all countries except Thailand
BTILS-contd.

• One of the recommendations of the BTILS Study was to create a single Working Group on transport and trade facilitation to be referred as BIMSTEC Transport Connectivity Working Group (BTCWG).

• The Inception Meeting of the BIMSTEC Transport and Connectivity Working Group (BTCWG) held in Bangkok, Thailand in August 2016 reviewed the key agreements reached at the Final BTILS Workshop, covering updated and enhanced policies/strategies, priority projects, monitoring framework, action plan, theme and institutional arrangements and formulated the draft Terms of Reference (ToR) of the BTCWG and monitoring system for the projects.
Goa Retreat- future roadmap of BIMSTEC

• In the Goa Retreat in October 2016, the Leaders of BIMSTEC have given the following directions on the Transport Sector:
  – To seek greater physical and economic connectivity between South and South East Asia.
  – to advance multi-modal physical connectivity (air, rail, roads and waterways) in the BIMSTEC region
  – T prepare a Master Plan for BIMSTEC Connectivity.
  – To conclude BIMSTEC Coastal Shipping Agreement.
  – to explore the possibility of having a BIMSTEC Motor Vehicle Agreement.
Master Plan for BIMSTEC Connectivity

• A need of a Master Plan was felt by the Member States as various other initiatives with overlapping domain has been initiated in the region. Further, many of the projects in the BTILS have already been completed or in the advance stage of completion or have been approved. The Master Plan will take note of these factors and will address various other missing links in the region.
Master Plan for BIMSTEC Connectivity

Guidelines for Implementation

i. The Master Plan should be compatible with the ASEAN Connectivity 2025 Master Plan, but different.

ii. To emphasize BIMSTEC’s bridge connectivity between South and South East Asia, ASEAN and SAARC.

iii. Bilateral and trilateral joint Development Strategies are considered e.g. Trilateral Highway linking India, Myanmar and Thailand, Kaladan Multi Modal Transport project.

• With Technical Assistance of ADB.
• To be finalised by end of 2018.
• Modalalities have been worked out.
Master Plan for BIMSTEC Connectivity

- **Vision for the BIMSTEC Transport Connectivity Master Plan**
  - promoting seamless connectivity between and across BIMSTEC countries through enhanced transport and trade linkages for faster and more inclusive growth.

- **Roads and Road Transport** – the development of physical infrastructure and services along the primary road corridors handling or having the potential to carry volumes of trade or passengers between Member States or to primary maritime ‘gateways’, and the international road transport sector plying those corridors;

- **Rail and Rail Transport** – the development of the rail infrastructure and services connecting member states or to relevant primary maritime ‘gateways’ and the construction of missing links within the sub-region’s international rail network;
Master Plan for BIMSTEC Connectivity

- **Ports and Maritime Transport Development** – the development of the region’s main ports and maritime ‘gateways’ to facilitate intra-BIMSTEC trade and enhance maritime connectivity and access to global markets;

- **Inland Waterways** – the development of key waterways to help transfer some intra-regional road traffic to a more environmentally-friendly mode;

- **Airports and Air Transport** – the development of international standard airports and aviation services enabling increased passenger and cargo choices and more services between airports in the Member States;
Master Plan for BIMSTEC Connectivity

- **Multi-Modal Transport** – the development of multi-modal transport regimes and services using more than one mode of transport in an international movement;
- **Logistics** – the development of modern logistics designed to enhance the performance of transport services;
- **Trade Facilitation** – the harmonization and simplification of border and customs clearance processes relating to the movement of freight and passengers among Member States; and
- **Human Resources Development** – the development of training services designed to enhance the capacity and skill of personnel of Member States engaged in the above transport and related sectors.
Coastal Shipping Agreement

- Drafted by India.
- Only for cargo ships
- Applicable upto 20 NM
- First Working Group Meeting was held at New Delhi on 28/29 November 2017 at Delhi.
- General consensus arrived at
- Standard Operating Procedures (SoPs) drafted by India
BIMSTEC Motor Vehicle Agreement

- Drafted by India.
- First Working Group Meeting is scheduled shortly
- BBIN experience
Conclusion

• Most of the projects enlisted in the BTILS are at various stages of execution.
• Renewed emphasis on development of border infrastructure.
• Special emphasis on development of road infrastructure in North East India- vital for linking India to Myanmar
• Goa Retreat- impetus to BIMSTEC process.
• BIMSTEC Master Plan, to be ready by end of 2018 will bring new momentum.
• Important role that BIMSTEC can play in the Indo-Pacific sphere of activities
THANK YOU