

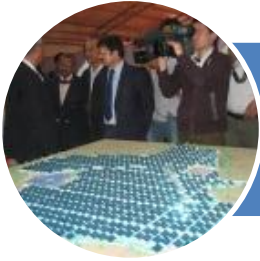
# ADB's Initiatives on Promoting Transport Connectivity in South Asia

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India Resident Mission  
Asian Development Bank  
November 2014

Disclaimer: In preparing any country program or strategy, financing any project, or by making any designation of, or reference to, a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.



# Scope



1. SASEC+

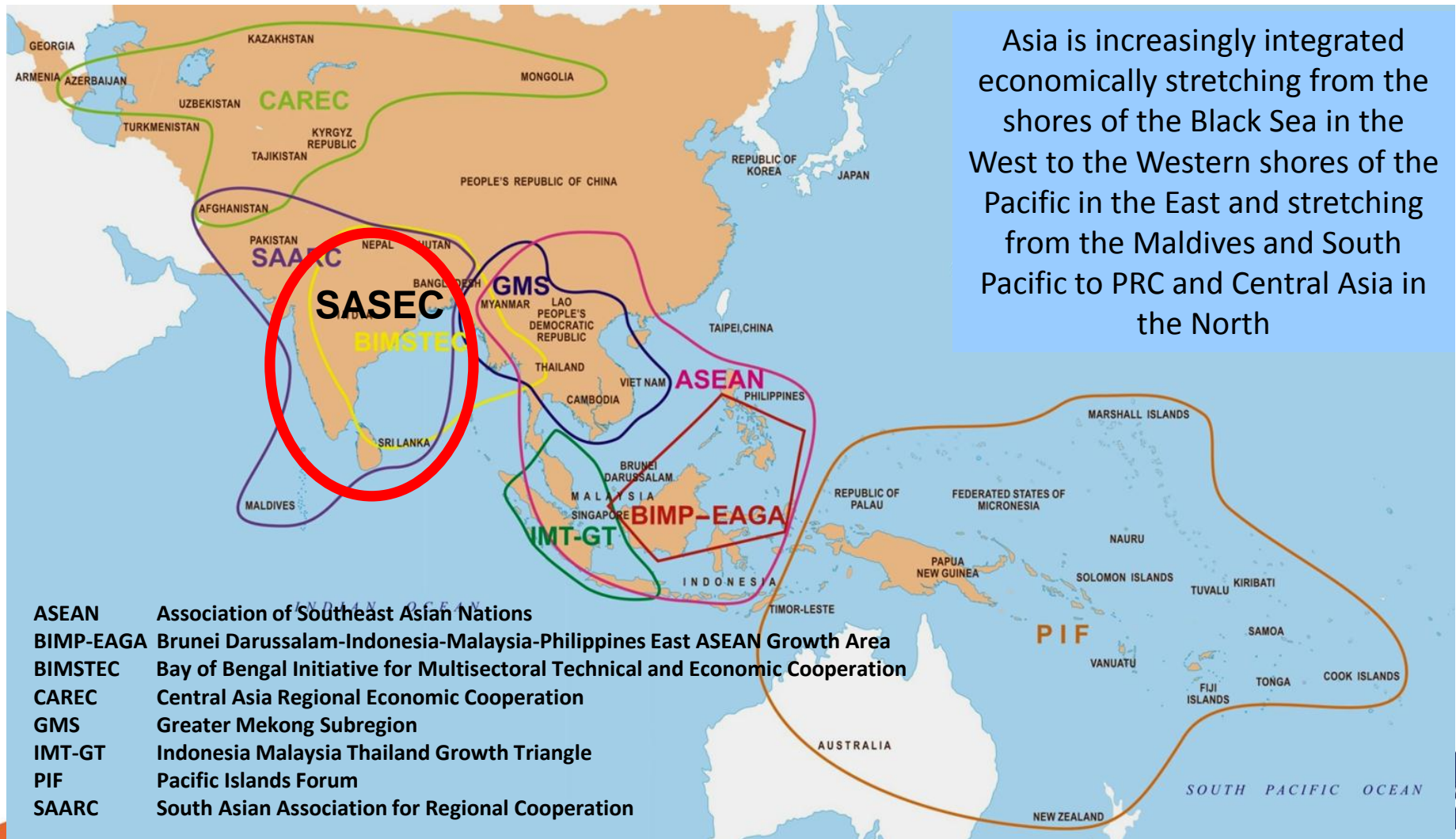


2. BIMSTEC



3. RCI, Economic Corridors, and Growth

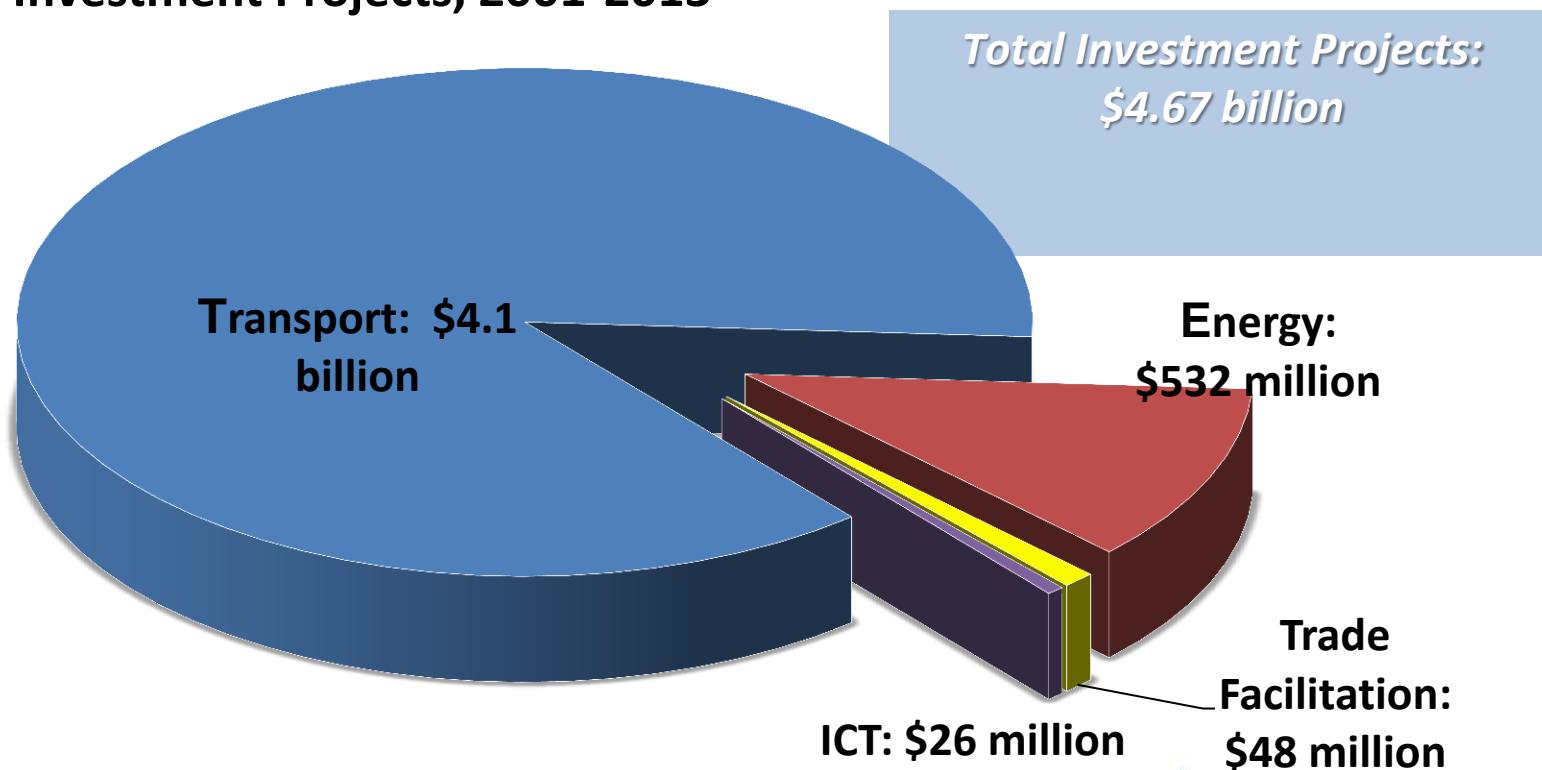
# Centrality of SASEC in The Garland of an Integrated Asia



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# ADB's SASEC Initiative: Sectoral status

## SASEC Investment Projects, 2001-2013



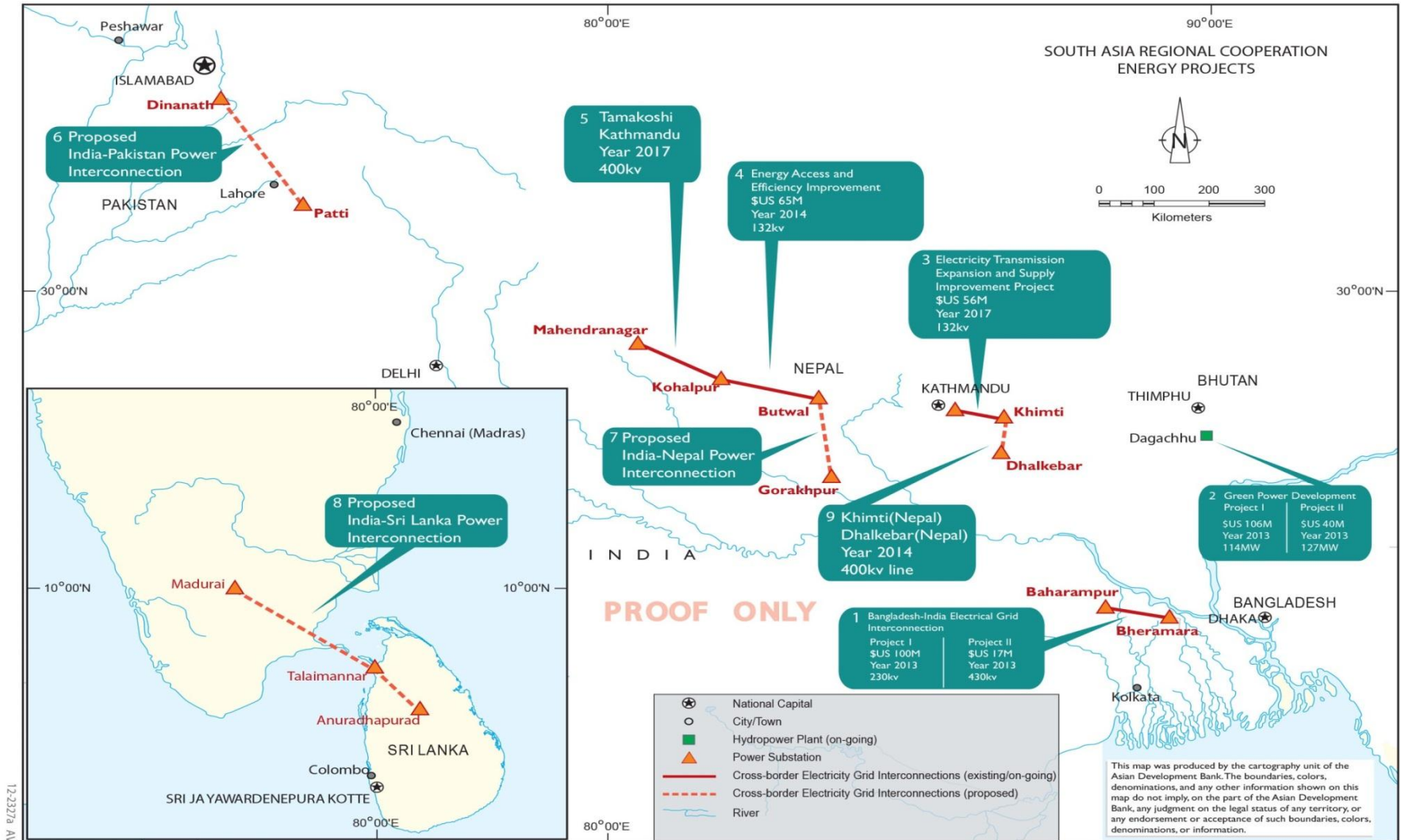
ICT = information and communications technology; Source: SASEC Secretariat



# ADB-SASEC Project Details

<i>TRANSPORT</i>	App Year	Total Project Cost	ADB	Govt. / plus others
South Asia Tourism BAN, IND, NEP	2012		100+	
SASEC Trade Facilitation BAN, BHU, NEP (supporting TA includes IND)	2012	48	48	-
SASEC Bangladesh-India Electrical Grid Interconnection Project (loan to BAN)	2010	159	100	59
SASEC Information Highway Project (IND with own resources)	2007	26	21	5

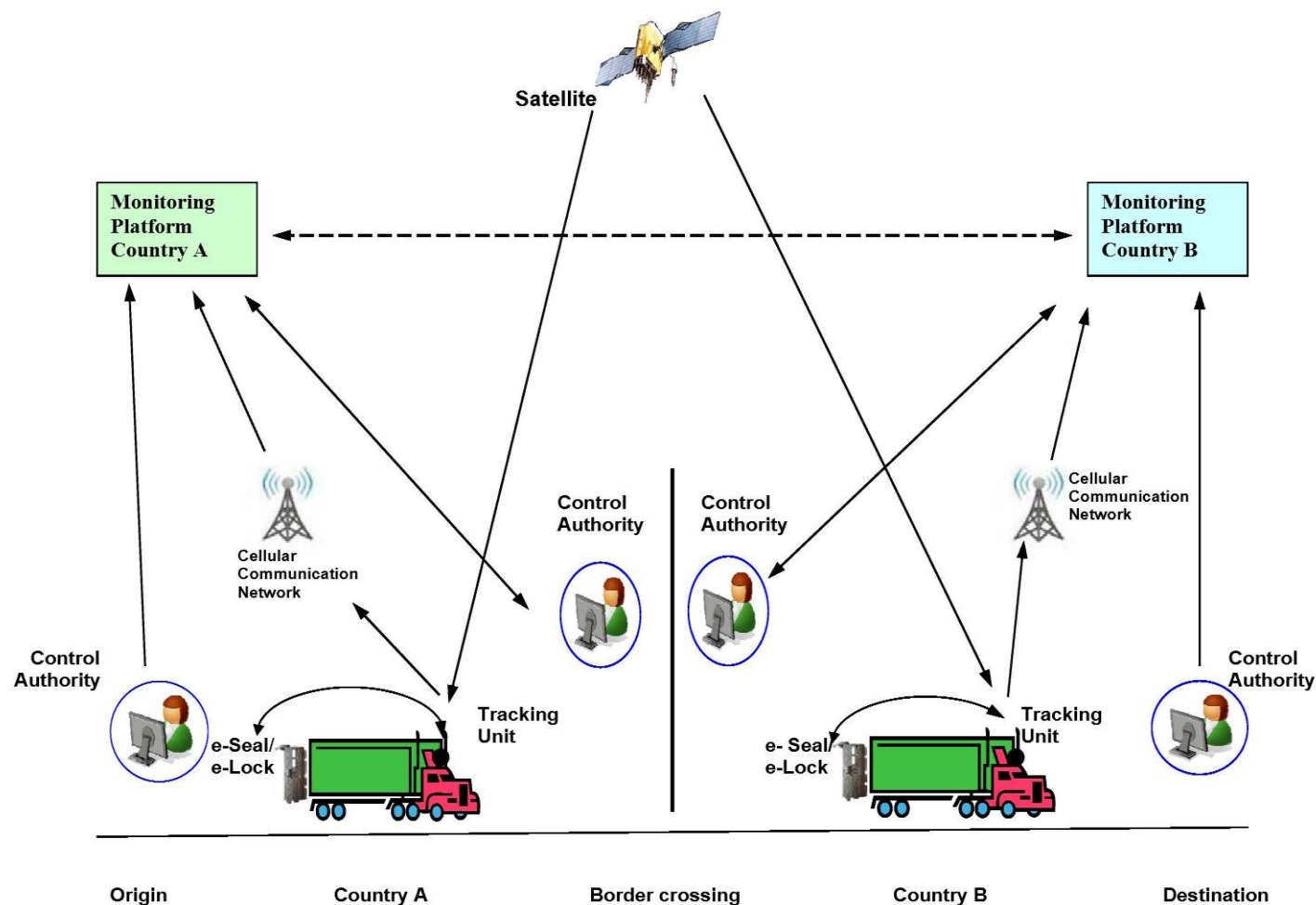
# SASEC Energy Cooperation



**SASEC**  
South Asia Subregional Economic Cooperation  
[www.sasec.asia](http://www.sasec.asia)

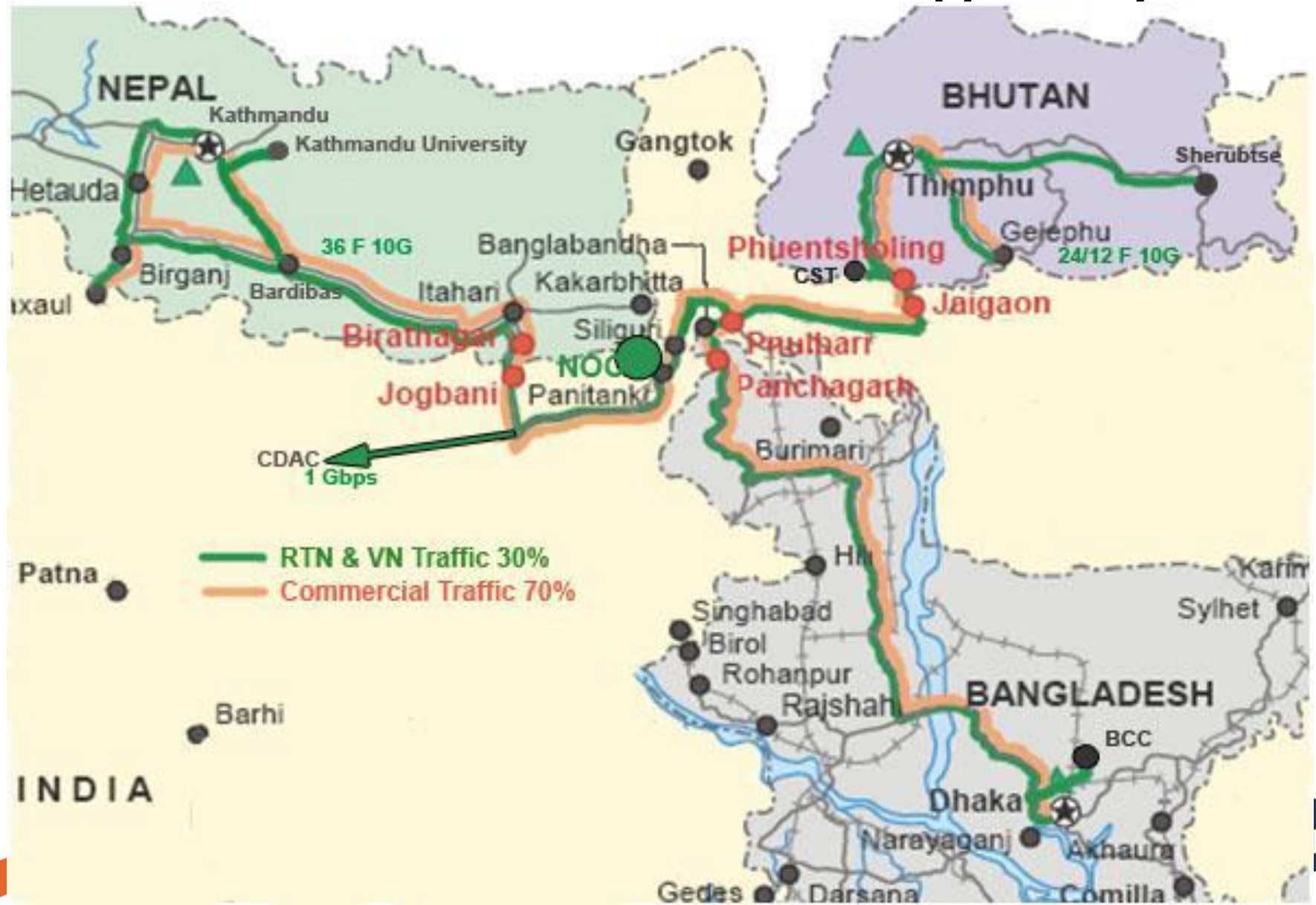


# SASEC Trade Facilitation



Source: UNESCAP

# SASEC Information Highway



PAKISTAN

Lahore

Amritsar

Jullundur

Firozpur

Ludhiana

Simla

Chandigarh

Ambala

DELHI

Ghaziabad

Hapur

Moradabad

Bareilly

Shahjahanpur

Rupaidiha

Nepalgunj

Nanpara

Bahraich

Etawah

Mathura

Kanpur

Alahabad

Patna

Purnea

Rajshahi

Barisal

Chittagong

Cox's Bazar

Thagunah

Demagiri

Myanmar

Manesar

Bay of Bengal

# Regional Corridors in South Asia (SRMTS)

7. Project Name: Subregional Transport Enhancement Project  
Project Loan: US\$ 24M  
Completion Date: Year 2014

4. Project Name: North Eastern State Roads Investment  
Project Loan: US\$ 74M  
Completion Date: Year 2016

16. Project Name: National Highway Corridor (Sector 1)  
Project Loan: US\$ 500M  
Completion Date: Year 2011

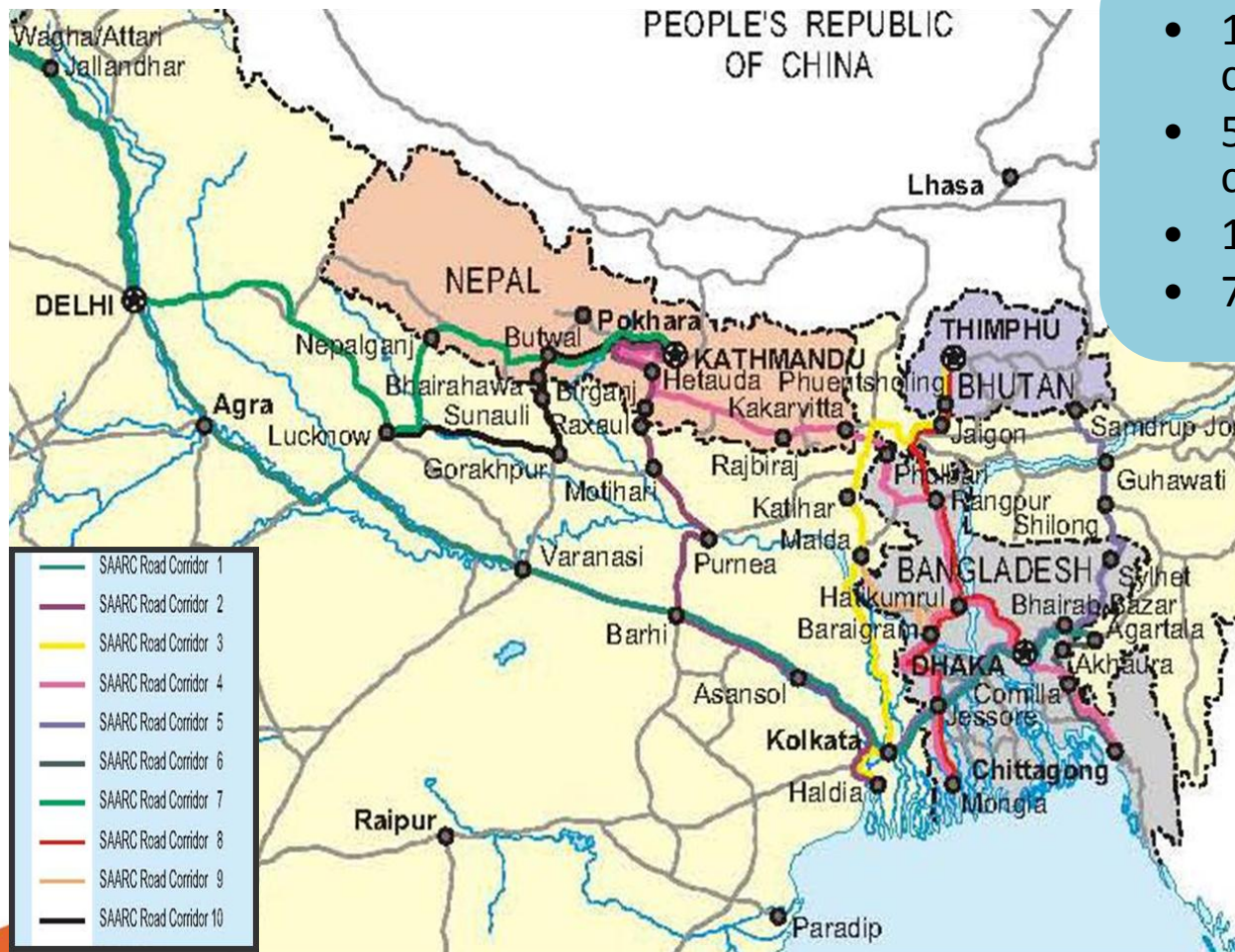
9. Project Name: Subregional Transport Enhancement Project  
Project Loan: US\$ 20M  
Completion Date: Year 2009

2. Project Name: West Bengal Corridor Development  
Project Loan: US\$ 210M  
Completion Date: Year 2011

SAARC Corridor 1	SAARC Corridor 6
SAARC Corridor 2	SAARC Corridor 7
SAARC Corridor 3	SAARC Corridor 8
SAARC Corridor 4	SAARC Corridor 9
SAARC Corridor 5	SAARC Corridor 10

This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

# SAARC Regional Multimodal Transport Study (SRMTS)



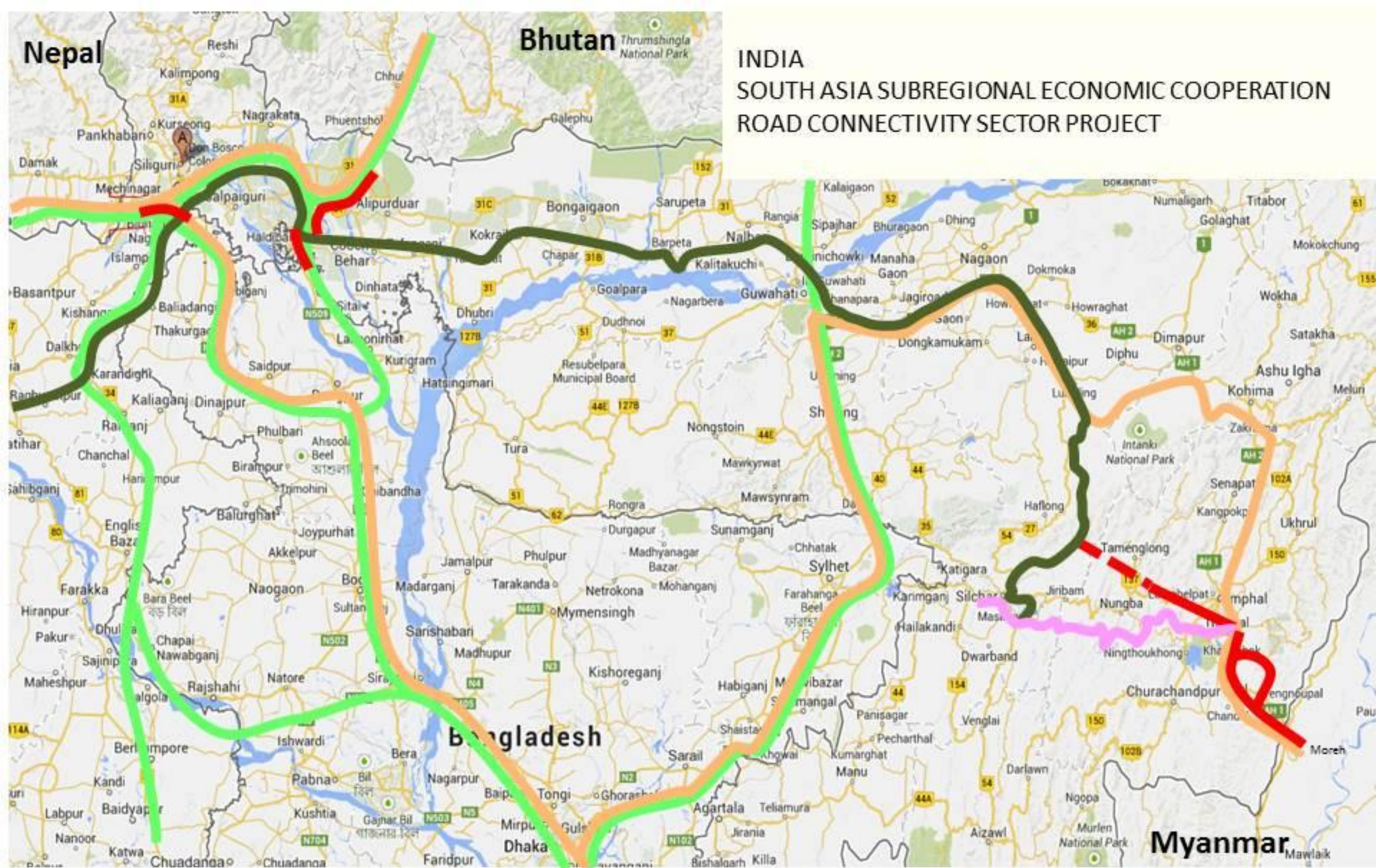
- 10 regional road corridors/gateways
- 5 regional rail corridors/gateways
- 10 maritime gateways
- 7 aviation gateways

Nepal

Bhutan

INDIA

## SOUTH ASIA SUBREGIONAL ECONOMIC COOPERATION ROAD CONNECTIVITY SECTOR PROJECT



Project Candidate Road

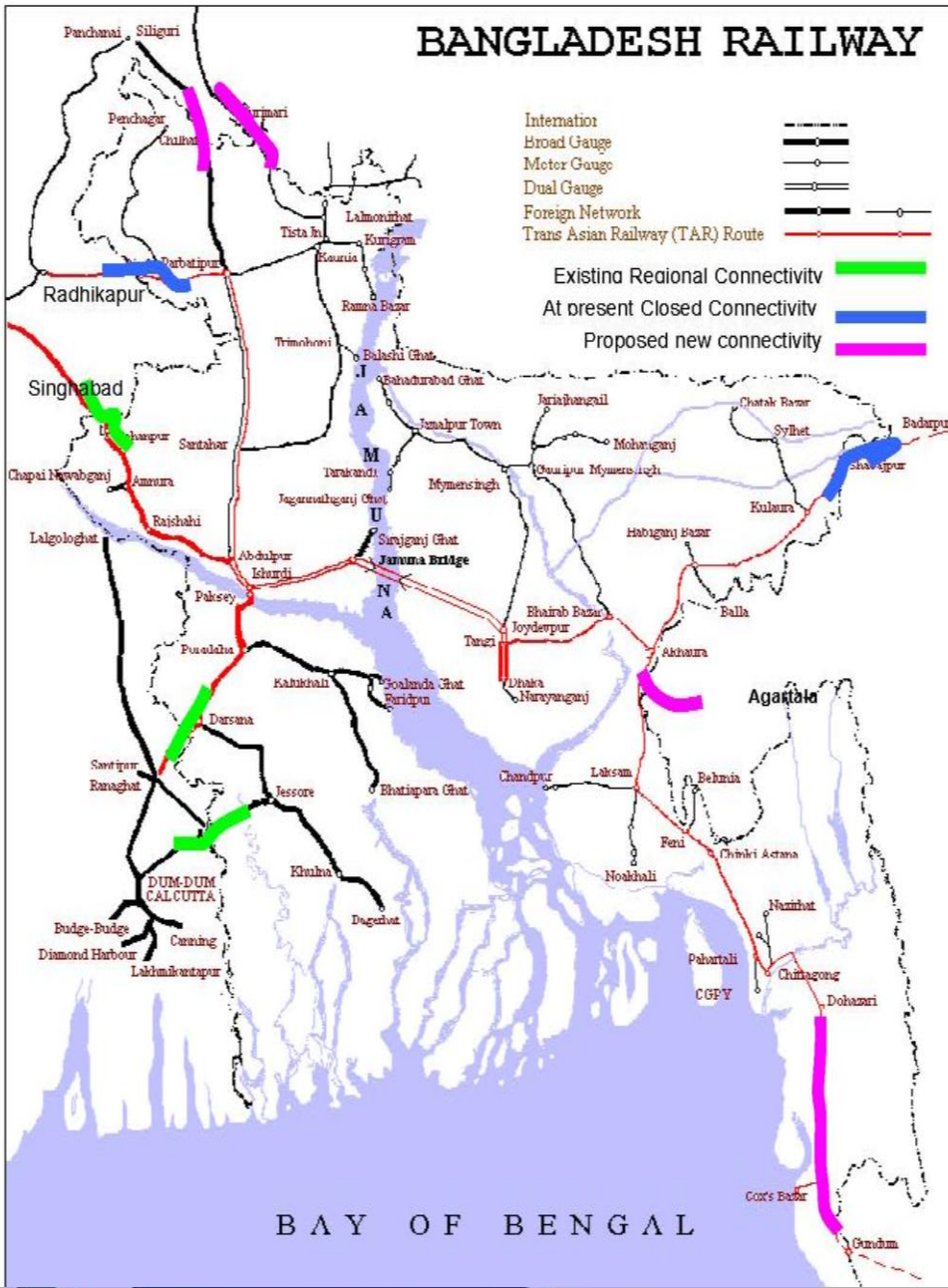
East-West Corridor Under NHDP

NHDP, SARDP and Others

SAARC Road Corridor

Asian Highways

# National Projects



### Existing Connectivity with India:

- Benapole – Petrapole
- Darsana – Gede
- Rohanpur – Singhabad

## Closed Connectivity:

- Birol – Radhikapur (since 01-04-2005)
- Shahbazpur – Mohishasan (since 07-07-02)

## Proposed new Connectivity:

- Chilahati – Holdibari
- Burimari – Chengrabandha
- Akhaura - Agartala
- Dohazari – Cox’s Bazar - Gundum

## Connectivity with Nepal & India:

- Rohanpur – Singhabad.
- Birol – Radhikapur (By conversion MG into DG).

### Connectivity with Bhutan & India:

- **Chilahati – Holdibari** (by constructing 7 km missing link in Bangladesh side and signing a new MOU).
- **Burimari – Chengrabandha** (by constructing transshipment facilities at Burimari and signing a new MOU).

- Connectivity with Myanmar:

- Dohazari – Cox’s Bazar – Gundum (By constructing rail link in Myanmar side and new Bi-lateral Agreement)

# ADB FINANCED PROJECTS HAVING SUBREGIONAL IMPACTS

No. in Map	Country	Project Name	Year Approved	Loan Amount (US\$)	Link with SRMTS Master Plan
<b>Road Projects</b>					
2	IND	West Bengal Corridor Development	2001	210	Corridor 3
17	IND	East-West Corridor	2002	320	
16	IND	National Highway Corridor (Sector) & Suppl.	2003/09	400 & 100	Corridor 1
9	NEP	Subregional Transport Enhancement Project	2004	20	Corridor 4
15	IND	National Highway Sector II Project	2004	400	
5 & 6	BHU	Road Network Project & II	2005/09	21 & 38	
7	NEP	Subregional Transport Enhancement Project	2010	24	Corridor 4
4	IND	North Eastern State Roads Investment	2011	74	Corridor 5
	BAN	SASEC Road Connectivity	2012	198 & 60 cofinancing	Corridor 4 & 8
7	NEP	SASEC Road Connectivity	2013		Corridor 4
<b>Rail Projects</b>					
13	BAN	Railway Sector Investment Program	2006	430	Rail Corridor 4
14	IND	Railway Sector Investment Program	2011	500	
<b>Port Projects</b>					
1	SRI	Colombo Port Expansion	2007	300	Maritime Gateway 10
3	BAN	Chittagong Port Trade Facilitation	2004	30	Maritime Gateway 7

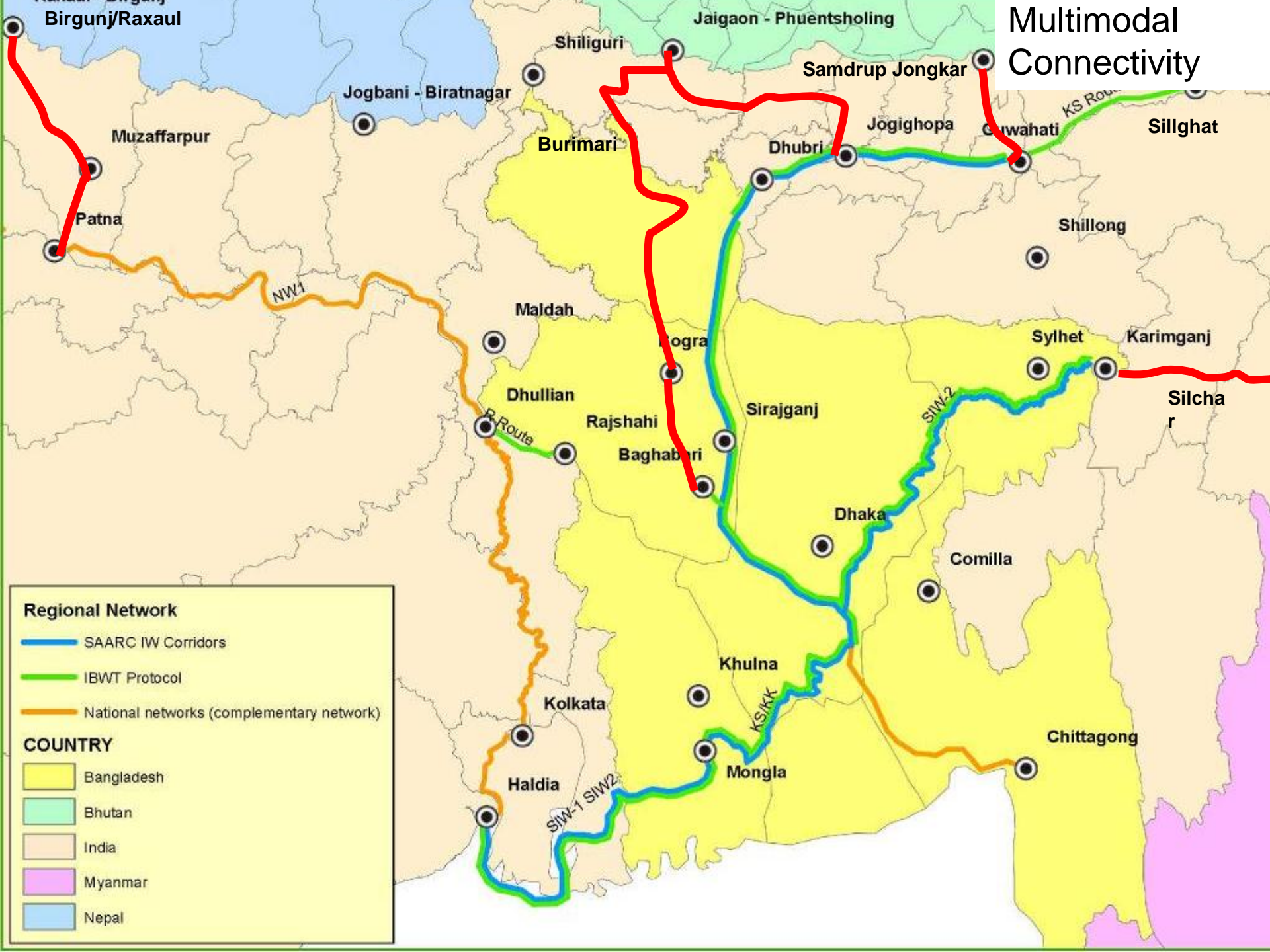


**SASEC** ADB

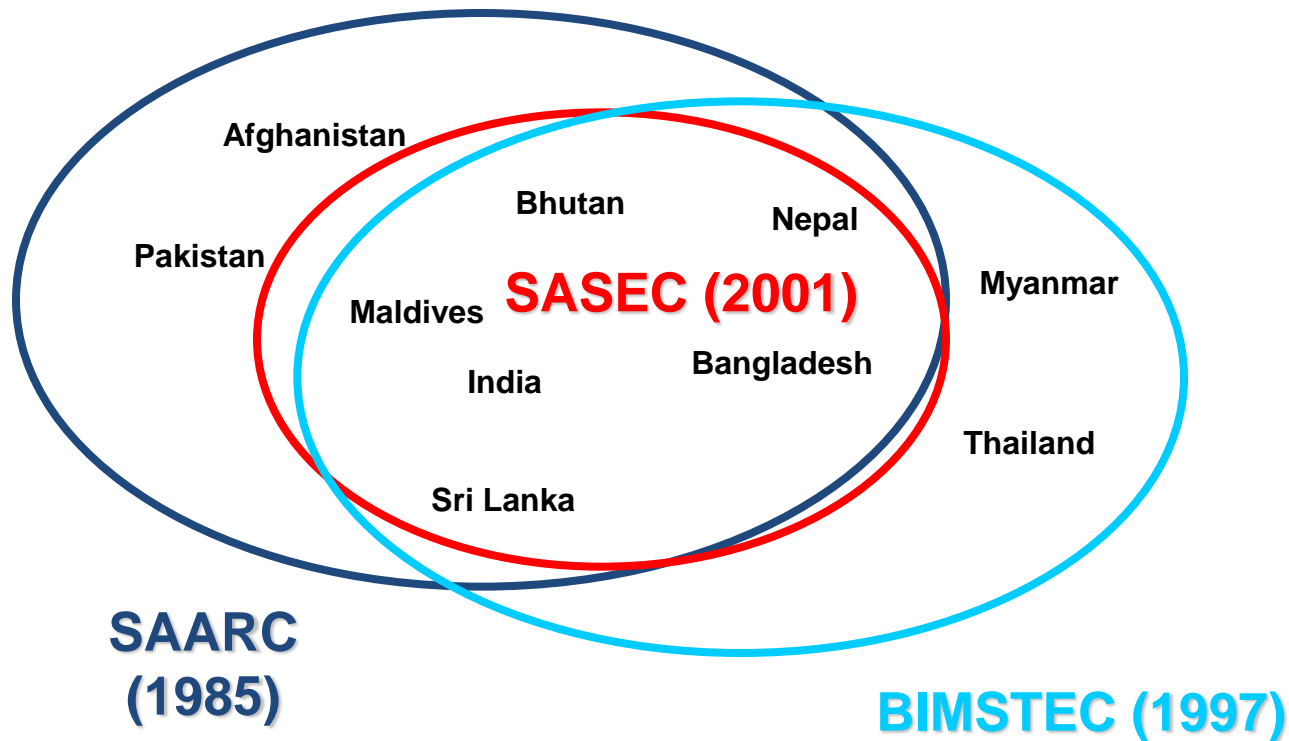
South Asia Subregional Economic Cooperation

www.sasec.asia

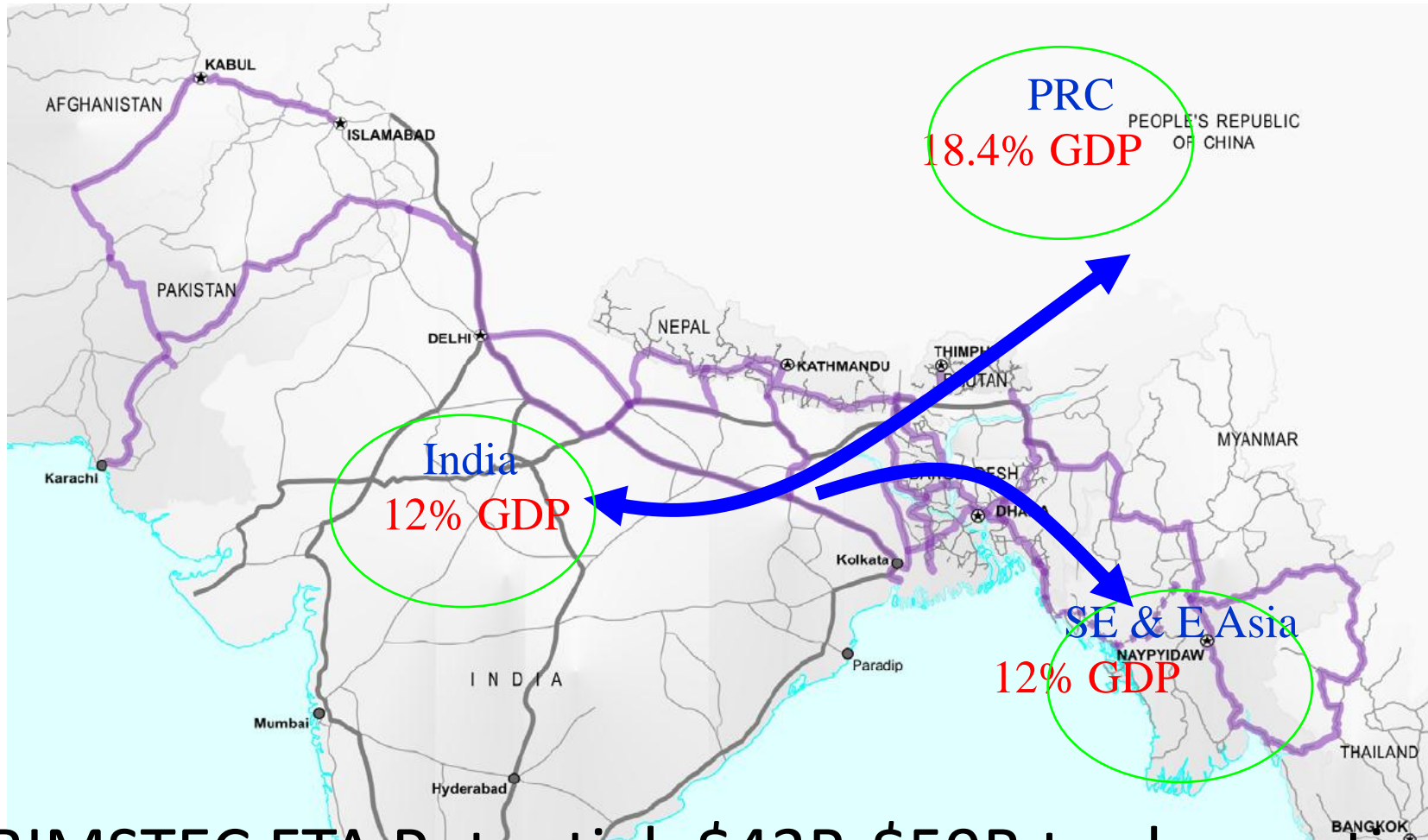
# Multimodal Connectivity



# Regional Cooperation in Practice in South Asia



# BIMSTEC



BIMSTEC FTA Potential: \$43B-\$59B trade creation

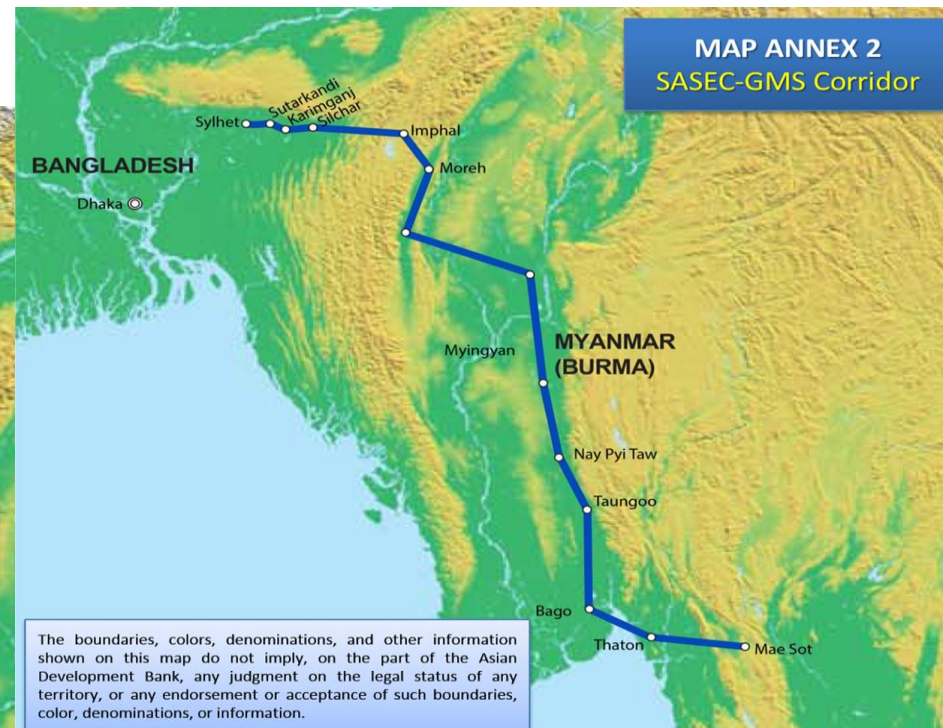
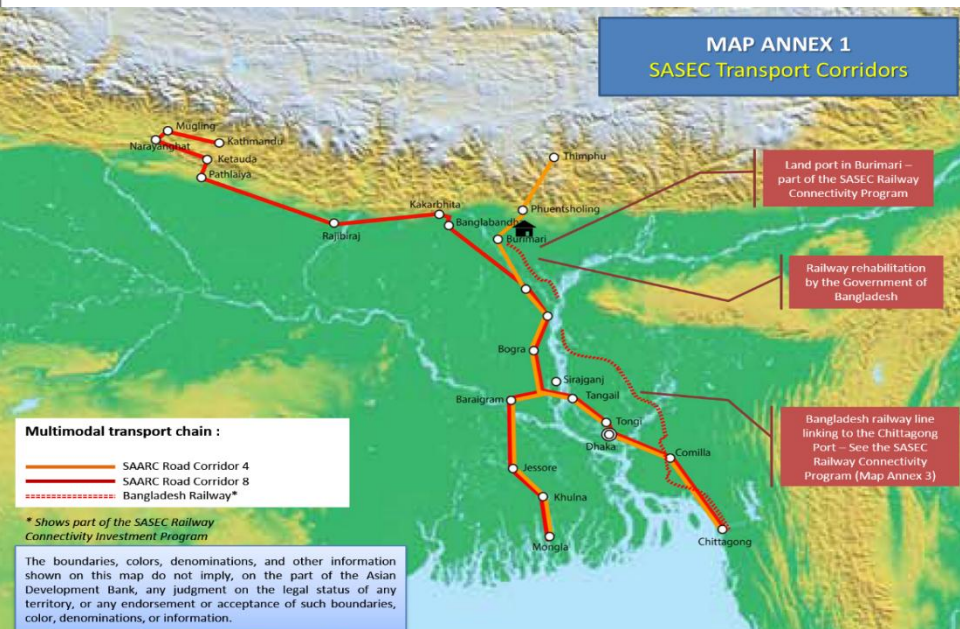
# Transport Connectivity



- Economic corridor development and “twin bridgehead” connectivity concept

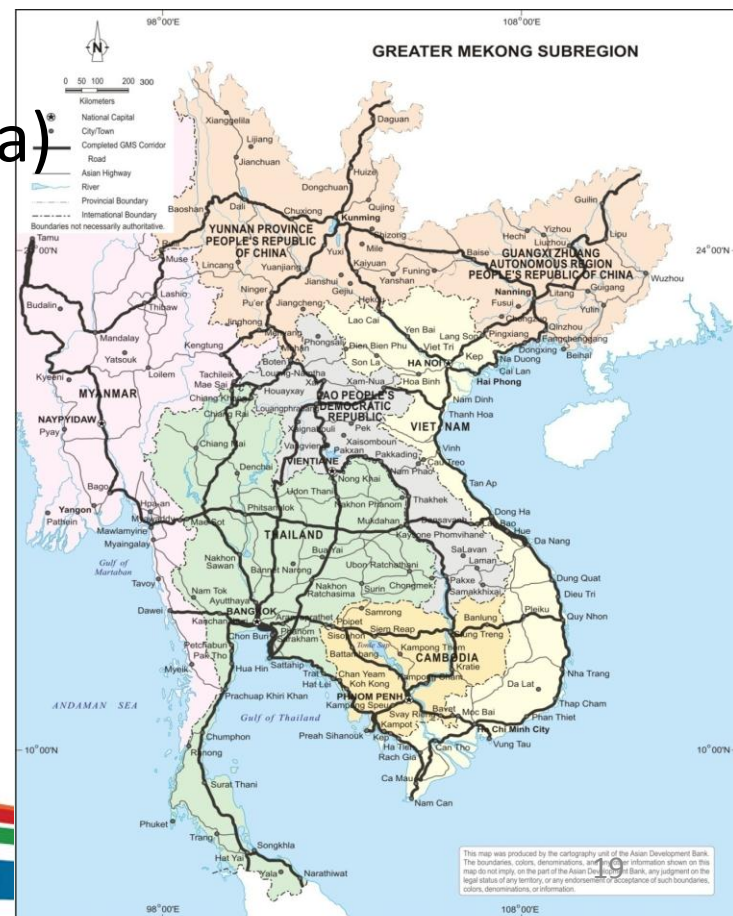
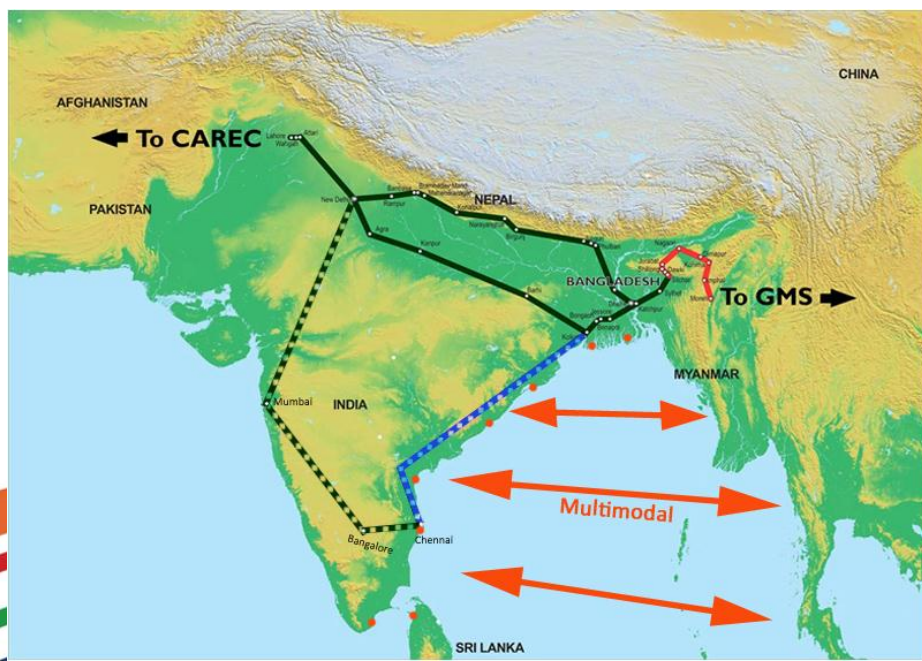
# BTILS Update: Priorities

- Improved connectivity to northeast states of India
- Improved connectivity between India and Bangladesh
- Improved port access/ port developments
- Improved road connectivity: Thailand-Myanmar
- Trade facilitation reforms



# SASEC and GMS

- SASEC: Focus on transport, trade facilitation and energy
- GMS: Impressive progress through transport, power and telecommunications networks
- Economic corridor development - East Coast Economic Corridor (India)

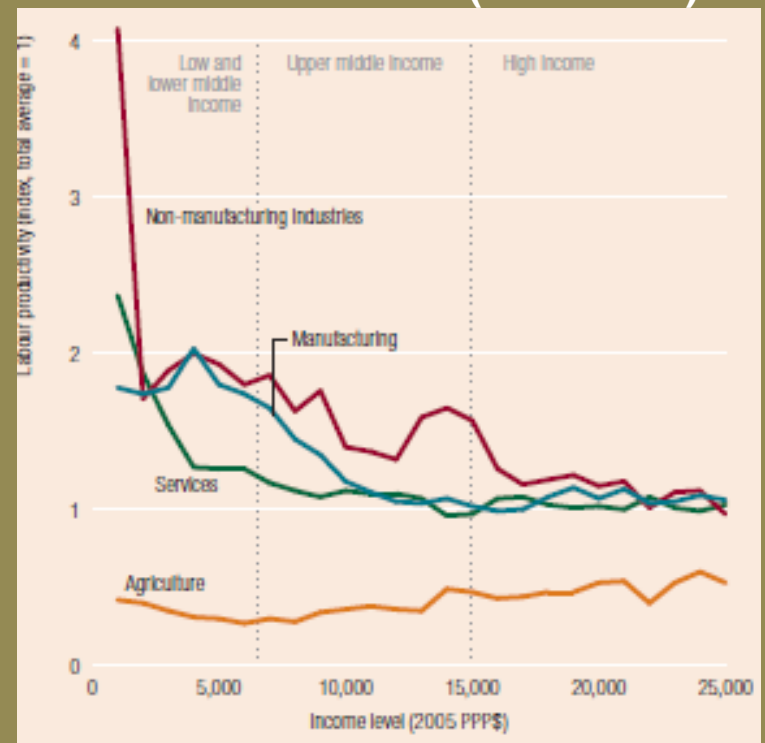


# Going Ahead: The Challenge

## Poverty, Jobs, Productivity

- 500 million live below \$1.25 a day
- Need to create 1 million jobs per month
- Better high productivity jobs are generated in industry and services

Relative labor productivity by income and sector (1991-2010)

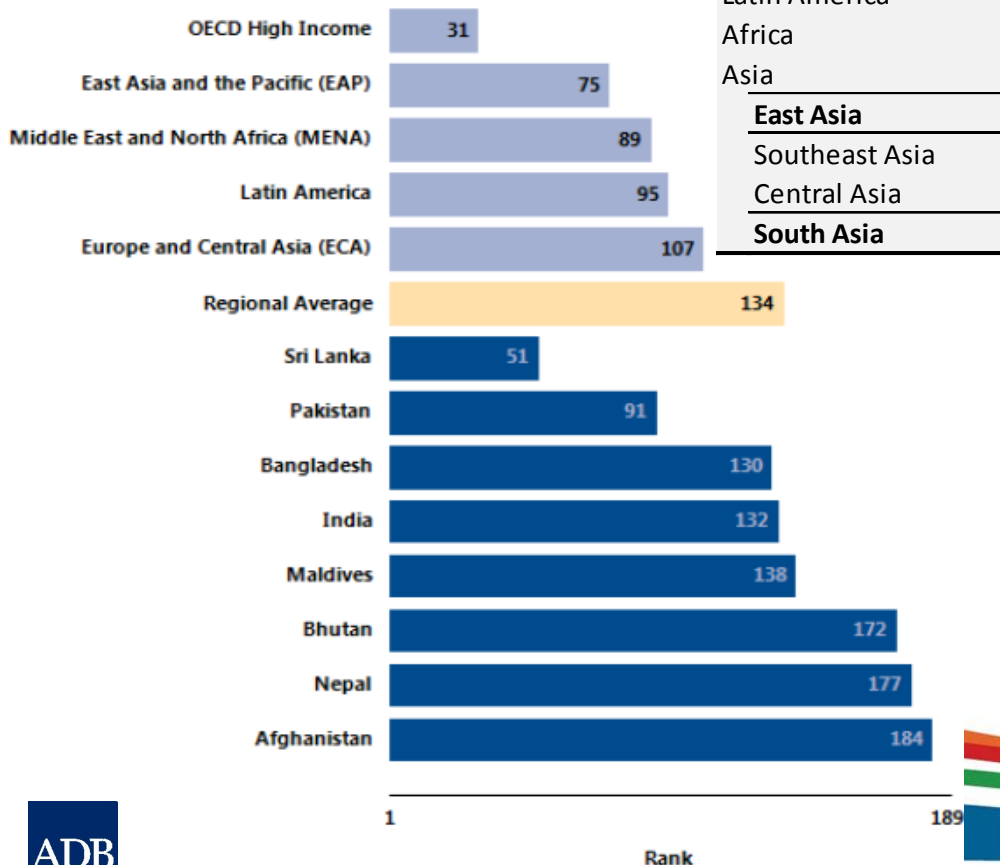


Source: UNIDO. 2014. Industrial Development Report

[www.sasec.asia](http://www.sasec.asia)

# Enabler 1. Trade Facilitation

## Ranking on the ease of trading across borders: South Asia Lags



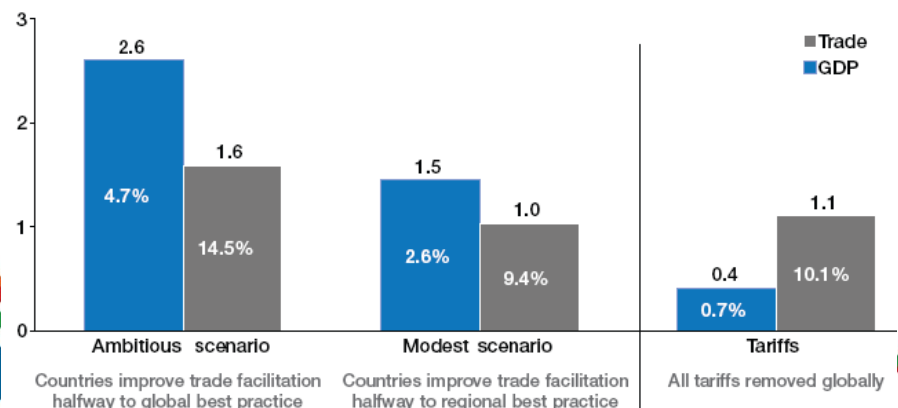
## Trade Facilitation Costs Per Subregion (2012)

	Real cost to export (man days)	Real cost to import (man days)	Time to export (days)	Time to import (days)	Documents to export (number)	Documents to import (number)
High-income countries	6	6.4	8.9	8.6	4	4.7
Latin America	25.1	28.5	20.7	15.2	6.2	6.3
Africa	114.7	152.3	38.3	29.5	9.1	8.2
Asia	9.9	12	16.4	14.8	5.7	5.4
East Asia	7.2	7.6	16	14.1	5.7	4.7
Southeast Asia	9.4	11.7	13.2	13.2	4.9	5.9
Central Asia	41.4	64.8	56.5	59.9	8.6	10.2
South Asia	34.5	35.6	20.4	17.2	7.8	8.7

ADB, July 2012, Asia Economic Integration Monitor

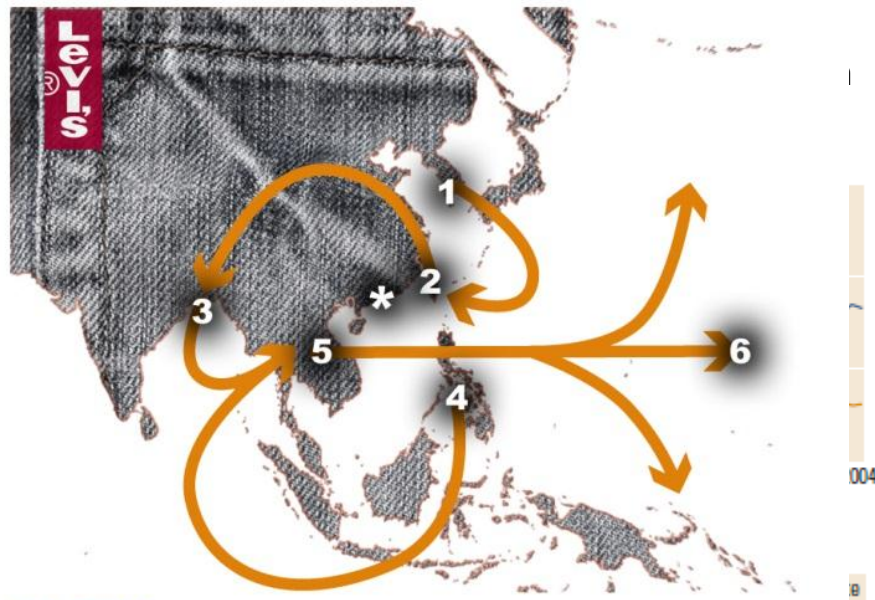
## GDP effect of reducing supply chain barriers is much higher than for tariffs

Increase in trade\* and GDP (trillion US\$)



# Enabler 2. GPNs

## The Journey of Levi's Jeans



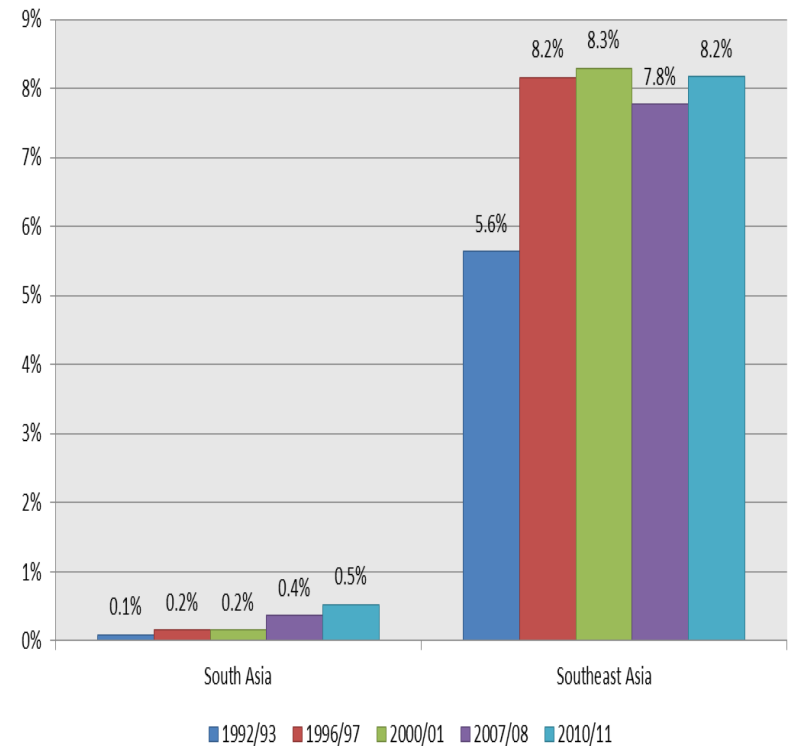
Source: CAREC Notes, ADB



- ① Yarn sourced from the Republic of Korea
- ② Fabric is woven and dyed in Taipei, China
- ③ Fabric is cut in Bangladesh
- ④ Zippers produced in the Philippines
- ⑤ Assembled into jeans in Cambodia
- ⑥ Exported to the rest of the World
- \* Li and Fung coordinates all activities from Hong Kong, China

ARIC

## Share of South and Southeast Asia in World Total Production Network Exports.

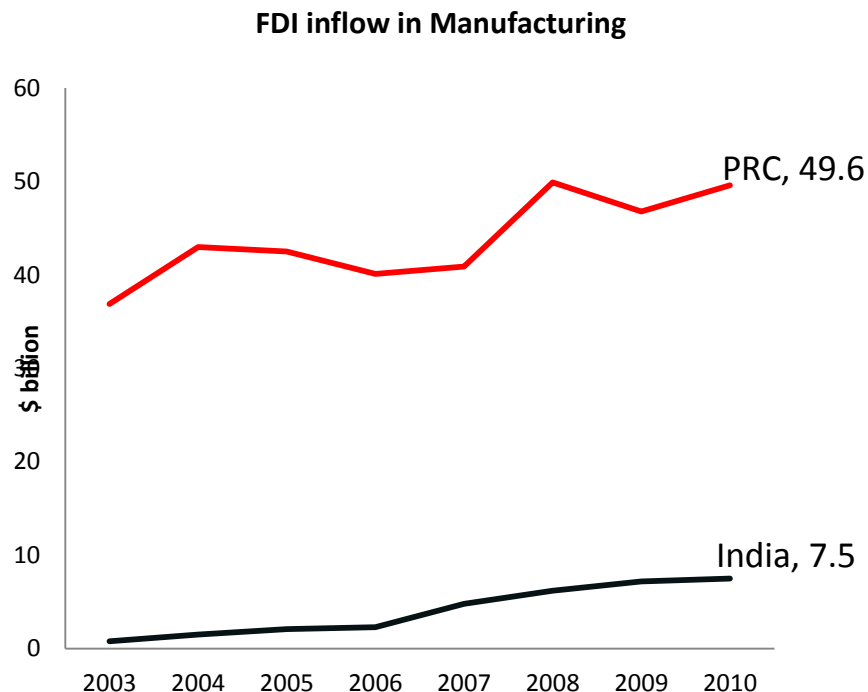


Source: Connecting South Asia and Southeast Asia—Interim Report



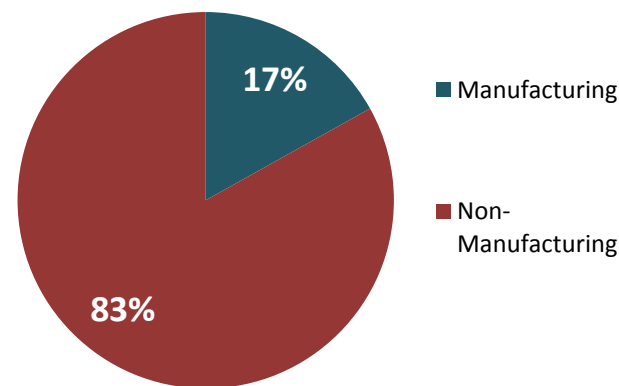
# Implications of limited participation in trade and GPNs

- Forgone opportunities in export markets and FDI

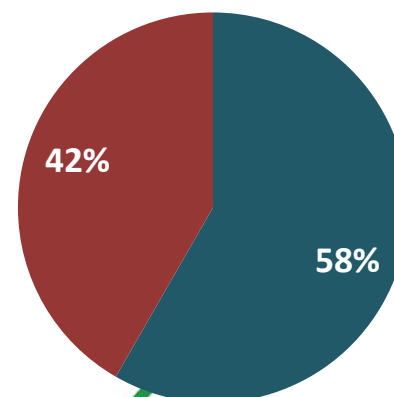


Source: Hoda & Rai (2013), ADB

**Composition of FDI in India, 2003-2010**



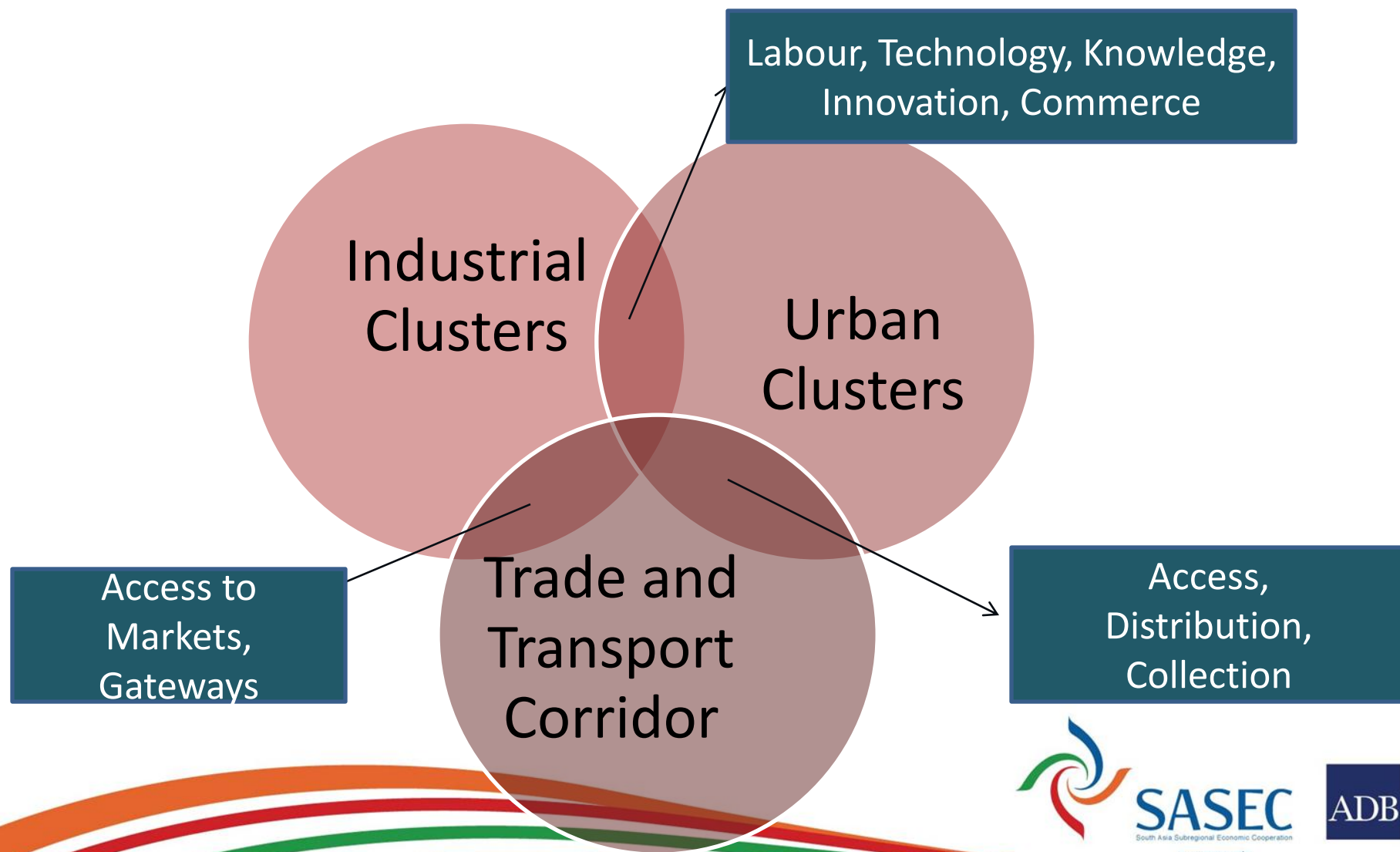
**Composition of FDI in PRC, 2003-2010**



## Missing out on:

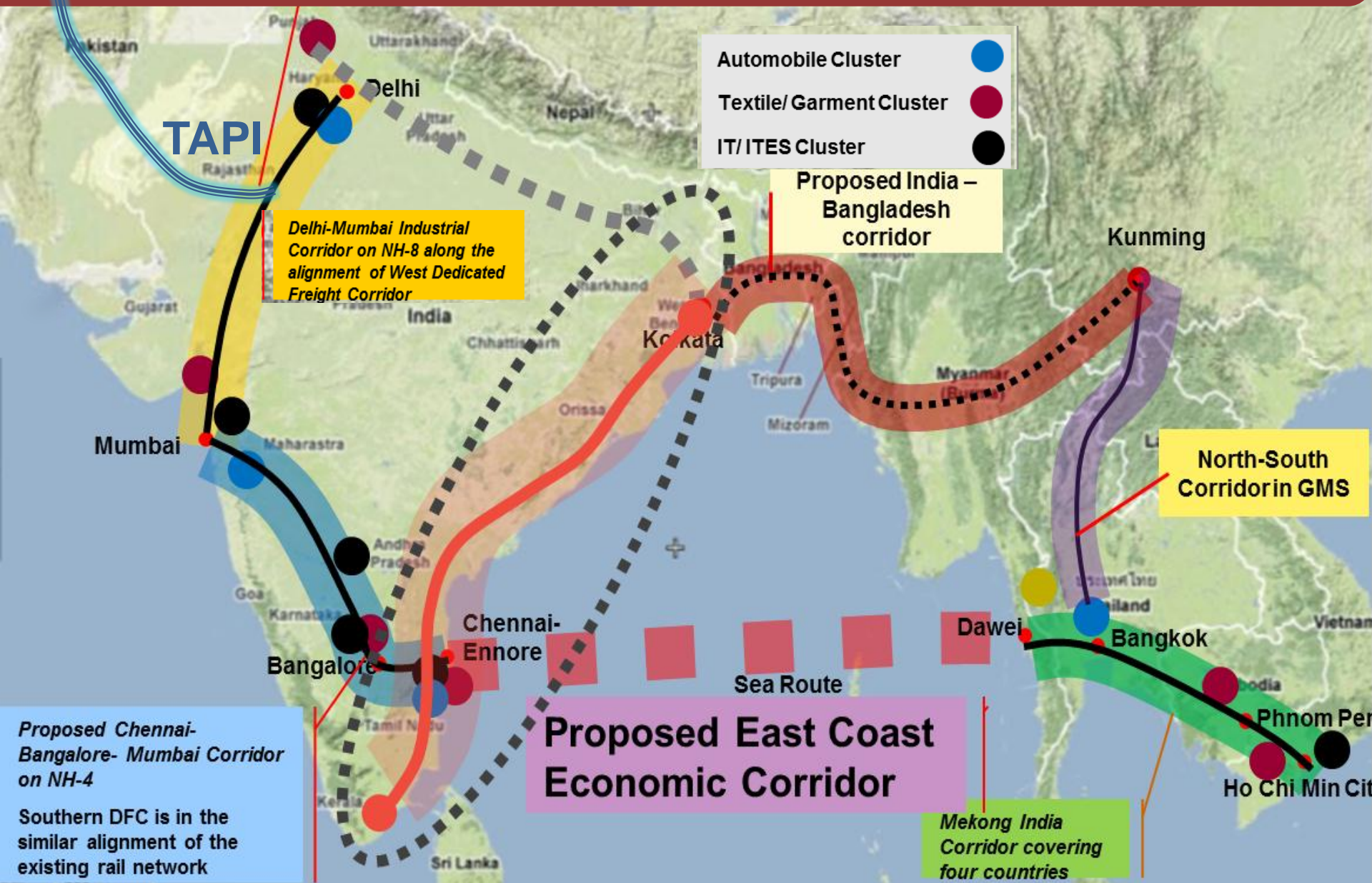
- Gains from trade through “learning-by-exporting” and “disciplining” effect of import competition
- Benchmark for assessing policy support

# Enabler 3. Economic Corridors



# Economic Corridors in India

Deepen regional economic corridors, build on Myanmar's opening



For more information:  
[www.sasec.asia](http://www.sasec.asia)  
email [sasec@adb.org](mailto:sasec@adb.org)