



India Bangladesh Agreements

For Prelims: Geography of Bangladesh, India Bangladesh Agreements, Trends in India Bangladesh Relations

For Mains: Economic Significance of Bangladesh for India, Trends of Agreements signed between India and Bangladesh, Challenges in relations

Why in News?

Recently, the **Prime Minister of Bangladesh** has visited **India** and held talks with Indian Prime Minister.

- India and Bangladesh have **signed seven agreements** for **cooperation in areas** ranging from **sharing of river waters** to **space** and unveiled **new connectivity and energy initiatives**.



What are the Key Highlights of the Meeting?

- The two sides have signed seven Memorandum of Understanding (MoU), which includes:
 - The **withdrawal of water from the cross-border [Kushiyara river](#)**.
 - The agreement will **benefit southern Assam** in India and the **Sylhet region** of Bangladesh.

- Cooperation in [space technology](#).
- Collaboration on **Information Technology** systems used by **railways in areas such as movement of freight**.
- **Science and technology** cooperation.
- Training of **Bangladesh Railway personnel** and **Bangladeshi judicial officers in India**.
- Cooperation in broadcasting between **Prasar Bharati and Bangladesh Television**.
- **Thermal Power Project:**
 - The two nations unveiled the first unit of the **Maitree super thermal power project** being built in **Khulna division of Bangladesh** with **concessional funding from India**.
 - The unit was **synchronized with Bangladesh's power grid** in August 2022, and the project will generate 1,320MW, when completed.
- **Rushpa Rail Bridge:**
 - **The 5.13-km Rupsha rail bridge** was also inaugurated, a key part of the **64.7-km Khulna-Mongla** port broad gauge railway project.
 - The bridge was constructed with an **Indian [line of credit](#) of \$389 million**.
 - It will increase **connectivity with Mongla, Bangladesh's second largest port**.
- **Loans and Advances:**
 - India has provided **concessional loans worth USD 9.5 billion** for development projects in Bangladesh, which includes:
 - Rail connectivity between **Khulna and Dhaka, Chilahati and Rajshah**.
 - Connecting **Mongla port with Darshana-Gede** at a cost of USD 312 million.
 - **The Parbatipur-Kaunia rail project** to facilitate the **transportation of fuel** is being built at a cost of USD 120 million.
 - Supply of **road construction equipment and machinery** worth USD 41 million to repair and maintain Bangladesh's road network.
- **Defence Procurement:**
 - In 2018, India has extended **USD 500 million defence Line of Credit (LoC)** to Bangladesh.
 - In May 2018, Defence public sector undertaking of Kolkata had signed a **Memorandum of Understanding** with Bangladesh to provide **assistance and know-how in the design and construction of warships**.
 - Dhaka has shared a **wish list of military platforms and systems** that its armed forces would like to procure from India.
 - **Bangladesh Army has approved procurement of three items:**
 - 5 Bridge Layer Tanks (BLT-72) at USD 10 million
 - 7 Portable Steel Bridges (Bailey) at USD 2.2 million
 - 1 Mine Protective Vehicles at USD 2.2 million.
 - **Other Proposed Procurements include:**
 - Off-road vehicles, heavy recovery vehicles, armoured engineer reconnaissance vehicles and bullet proof helmets.
 - Modernisation and extension of automobile assembling unit for a Bangladesh machine tools factory, supply of explosives, raw materials and tools
 - **The Bangladesh Navy** has proposed the procurement of a **logistics ship, floating dock, oil tanker, and an ocean-going tug**.

What is India's Vision on CEPA with Bangladesh?

- **About:**
 - **The Prime Minister of India** has said that **India and Bangladesh will soon commence negotiations on a Bilateral [Comprehensive Economic Partnership Agreement \(CEPA\)](#)**.
 - The CEPA is likely to focus on **trade in goods, services, and investment**, with a key objective being the **reduction of the trade gap between the two countries**.
 - For the year 2021, **India's imports from Bangladesh** stands at USD 1.76 billion and **exports to Bangladesh** stands at USD 14.09 billion, resulting in a **trade gap of USD 12.33 billion**.
 - Bangladesh prepares to **graduate into a developing nation by 2026**, after which it may

no longer qualify for trade benefits that it currently enjoys as a least-developed country; it is keen to clinch the CEPA within a year.

▪ **India Bangladesh Trade Relations:**

- In 2021-22, Bangladesh has emerged as the **largest trade partner for India in South Asia and the fourth largest destination** for Indian exports worldwide.
- **Exports to Bangladesh** grew more than 66% from USD 9.69 billion in FY 2020-21 to USD 16.15 billion in FY 2021-22.
- Despite [Covid-19 related disruptions](#), bilateral trade grew 44% from USD 10.78 billion in 2020-21 to USD 18.13 billion in 2021-22.
- **India's Exports to Bangladesh:**
 - Raw cotton, non-retail pure cotton yarn, and electricity
- **India's Imports from Bangladesh:**
 - Pure vegetable oils, non-knit men's suits, and textile scraps.

What are some Issues which Both Nations should Resolve?

- There should be efforts to **resolve pending issues concerning sharing of waters**, resolving **continental shelf issues** in the Bay of Bengal, bringing down **border incidents to zero**, and managing the **media**.
 - PM of Bangladesh held out the hope that the two countries will resolve the issue of sharing the waters of the [Teesta River](#) – an agreement on the matter has been pending since 2011.
- Bangladesh has already raised concerns over roll out of the [National Register of Citizens \(NRC\)](#) in Assam, an exercise carried out to **identify genuine Indian citizens living in Assam and weed out illegal Bangladeshis**.
- Currently, Bangladesh is an active partner of the [Belt and Road Initiative \(BRI\)](#) that Delhi has not signed up to.
- In the security sector, **Bangladesh is also a major recipient of Chinese military inventory**, including submarines.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q1. Consider the following statements: (2020)

1. The value of Indo-Sri Lanka trade has consistently increased in the last decade.
2. "Textile and textile articles" constitute an important item of trade between India and Bangladesh.
3. In the last five years, Nepal has been the largest trading partner of India in South Asia.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 3 only
- (d) 1, 2 and 3

Ans: (b)

Explanation:

- As per data from the Department of Commerce, Indo- Sri Lanka bilateral trade value for a decade (2007 to 2016) was 3.0, 3.4, 2.1, 3.8, 5.2, 4.5, 5.3, 7.0, 6.3, 4.8 (in billion USD). It reflects continuous fluctuation in the trend of trade value. There has been an overall increase but the same cannot be said as consistent rise in trade value. **Hence statement 1 is not correct.**
- Bangladesh has been a major textile trading partner for India, with a share of more than 5% in exports and over 7% in imports. While annual textile exports to Bangladesh averages \$2,000 million, imports are worth \$400 (Year: 2016-17).
- The major items of exports are fibre and yarn of cotton, man-made staple fibres and man-made

include higher volatility, an increased burden of foreign debt, and an effect on the balance of trade and exports. Thus allowing full capital account convertibility will hurt the economy in the times of global crisis. **Hence, statement 3 is not correct.**

- **Therefore, option (a) is the correct answer.**

Q2. In the Mekong-Ganga Cooperation, an initiative of six countries, which of the following is/are not a participant/ participants? (2015)

1. Bangladesh
2. Cambodia
3. China
4. Myanmar
5. Thailand

Select the correct answer using the code given below:

- (a) 1 only
(b) 2, 3 and 4
(c) 1 and 3
(d) 1, 2 and 5

Ans: (c)

Explanation:

- The Mekong-Ganga Cooperation (MGC) is an initiative by six countries – India and five ASEAN countries, namely, Cambodia, Lao PDR, Myanmar, Thailand and Vietnam for cooperation in tourism, culture, education, as well as transport and communications. It was launched in 2000 in Vientiane, Lao PDR.
- Both the Ganga and the Mekong are civilizational rivers and the MGC initiative aims to facilitate closer contacts among the people inhabiting these two major river basins.
- The MGC is also indicative of the cultural and commercial linkages among the member countries of the MGC down the centuries.
- **Therefore, option (c) is the correct answer.**

Mains

Q. Critically examine the compulsions which prompted India to play a decisive role in the emergence of Bangladesh. **(2013)**

Source: HT