

Creating an Enabling and Inclusive Policy and Political Economy Discourse for Trade, Transport and Transit Facilitation in the Bay of Bengal Region

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Welcome Address

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Good Morning, Ladies and Gentlemen! On behalf of CUTS International it gives me a great pleasure to extend a very warm welcome to all. I am pleased to see many senior government officials experts, business representatives and media from the across region and thankful for their time to be a part of this initiative. I greatly appreciate our partnership with the U.S. government, particularly the Consulate in Kolkata for their support to this initiative. I am also grateful to our partners from across the region for their collaboration in this initiative.

The moment for deliberations on the BBIN Motor Vehicles Agreement couldn't be more opportune than that of today. The implementation of the BBIN MVA will surely push the agenda for regional integration through sub-regional cooperation.

The concept of the BBIN MVA originated from the charters and objectives that the SAARC intended to achieve. Though the South Asian countries have been negotiating at the SAARC platform to reduce physical and non-physical barriers to transportation and transit, the progress has been slow and the cost of intra-regional movement of goods has become prohibitively high.

Based on a World Bank-UNESCAP database on cost of doing trade, our research has shown that it is easier for us, the South Asian countries, to do trade with our partners in the rest of the world than in our neighbourhood. Nothing can be more stressful than this.

Therefore, the genesis of the BBIN MVA came as a much needed necessity to make trading in this sub-region more economically and politically viable. The BBIN MVA offers a win-win situation for all the countries in this sub-region by not only fostering the intra-regional connectivity but also is expected to facilitate better integration and greater market access in the Southeast Asian region. This will have tremendous beneficial implications for not only land locked countries like Nepal and Bhutan but also the land locked states of Northeast India.

Keeping this in mind, it is an imperative to deeply analyse the various issues and challenges that could arise with the implementation of the BBIN MVA. Not only that highlighting the challenges is a must but also there is the need to come out with solutions that could address them, especially the one that is politically and economically more viable for all stakeholders.

Being one of the least integrated and connected regions of the world, the implementation of the BBIN MVA will surely enhance the cargo movements among the neighbouring countries. It will replace the large scale transshipment operations with easy movement of vehicles across borders; thus, effectively bypassing many hurdles to cross-border movements of goods.

Moreover, the BBIN MVA, if implemented effectively, will develop regional value chains and our greater integration with Southeast Asia. It will help the Northeast Indian states to access both sea and land ports in India and Bangladesh in much less time. The same benefit would accrue to cargoes going to Bangladeshi and Indian ports from Nepal or Bhutan.

The establishment of greater forward and backward linkages will generate more demand for supporting services such as logistics, shipping, and banking & finance. Thus, the need to address infrastructure gaps for its effective implementation. There should be equal emphasis on the development both hard and soft infrastructure.

However, besides technical issues, a bigger challenge before the implementation of the BBIN MVA is about generating a better political buy-in at the ground level through the involvement of local stakeholders who will be affected by this initiative. Therefore, not only those stakeholders who are expected to be benefitted by this initiative there is also the need to reach out to those who may lose their livelihood opportunities.

In this respect, it will be important for us to understand the benefits and challenges that similar initiatives are bringing and/or facing in other parts of the world, particularly in developing countries. Equally important is the role that international conventions on trade, transport and transit facilitation can play to facilitate better implementation of initiatives such as the BBIN MVA.

Therefore, knowledge sharing of good practices is a must for such initiatives to be successful. In this context, I am pleased to say that CUTS is involved in various connectivity initiatives in Sub-Saharan Africa, particularly in Eastern Africa. I am delighted to see the representatives of the Trade Mark East Africa, from the United Nations Economic and Social Commission for Asia and the Pacific and the International Road Transport Union to this event. I greatly appreciate the partnership that we have developed with these agencies.

Their contributions and those of others present here will be valuable for us to implement an outcome-oriented project like this, which can also be a model for another kind of South-South Cooperation and also Trilateral Development Cooperation. In short, it is not just about producing a few documents and organise a few meetings here and there.

Thus, our project will not only aim at understanding the benefits of the BBIN MVA but will also help address the concerns at the grassroots level which might act as a barrier against attaining the objectives that the BBIN MVA intends to.

Therefore, CUTS along with its partners will analyse the policies and its outcomes to facilitate trade and transit among the BBIN countries. It aims to facilitate connectivity and integration among these five countries through evidence-based advocacy, facilitating dialogues and capacity building.

In this context, let me also say that last week a Senior Officials Meeting of the BIMSTEC group of countries was held in Kathmandu and, among other things, a decision has been taken to initiate dialogues for a BIMSTEC Motor Vehicles Agreement.

Therefore and given that Bangladesh and India share their border with Myanmar, which is a member of BIMSTEC and acts as a bridge between the BBIN group of countries and Southeast Asia, it is important for us to look at cross-border road connectivity in the larger context of regional cooperation. I am pleased to say that in addition to this initiative, we will look at this aspect of greater regional connectivity and cooperation between the BBIN group of countries and Myanmar. We are grateful for the support that the UK's Department for International Development has provided us in this regard.

Finally, I wish everyone fruitful deliberations and a very pleasant stay here in Kolkata, the City of Joy. I assure you that this initiative will certainly be a milestone in our journey towards creating an enabling policy and political economy discourse for trade, transport and transit facilitation in the Bay of Bengal region. I thank you for your attention and invite Mr Craig Hall, U.S. Consul General in Kolkata for his welcome remarks.