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Issue Brief

Sheikh Hasina's Visit to India 2017: Makings of a Transformative Future?

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Bangladesh Prime Minister Sheikh Hasina was given an unusual warm welcome by Prime Minister Modi during her four-day visit to India in April 2017 even as some unresolved issues between the two countries remain on the table. Even though the complication over



water sharing between India and Bangladesh from the Teesta River has not been resolved, the agreements signed between the two countries over the visit indicate the potential for bilateral relations to strengthen.

Indian Prime Minister Modi and his Bangladeshi counterpart, Sheikh Hasina held bilateral talks from April 7 to 10, ending in 22 pacts in various key sectors, including a civil nuclear agreement and two memorandums of understanding on defence cooperation¹.

It is important to note that Mr. Modi announced a 5 million dollar credit line towards Bangladesh military budget. India also announced a further line of credit of \$5 billion, including \$500 million for defence purchases, the largest such Line of Credit extended to any country so far.² The MoU on a framework for defence cooperation essentially formalised existing arrangements for defence exchanges, military training and high-level defence visits, while the agreement of cooperation on peaceful uses of nuclear energy endorsed the existing training programmes for Bangladeshi scientists at Indian facilities.

The Modi-Hasina joint statement reflects mutually shared concern - the dangerous threat of terrorism that is fast spreading all over the region. A few years ago, the Islamic State's magazine Dabiq had claimed that it was going to target Bangladesh and use it as a base to enter South Asia.³

¹ <http://indianexpress.com/article/india/narendra-modi-sheikh-hasina-india-bangladesh-key-pacts-credit-line-teesta-issue-road-rail-lines-4604774/>

² <http://www.livemint.com/Politics/kduouENTGMfwEmokftAqoN/Modi-announces-45-billion-line-of-credit-to-Bangladesh-Te.html>

³ <http://www.financialexpress.com/india-news/india-bangladesh-joint-statement-narendra-modi-sheikh-hasina-condemn-barbaric-terror-attacks-call-for-urgent-counter-measures/620938/>

While the Bangladesh government has taken steps to ensure that the threat is minimized, the potential for trouble remains, particularly from radicalization of some sections of its society. During their talks, Modi and Sheikh Hasina called upon the international community to end selective approaches to combat terrorism and emphasised that there should be no glorification of terrorists as martyrs, in an apparent reference to Pakistan.

India has also extended a credit line of US 4.5 billion dollars⁴ for implementation of projects in Bangladesh. In an era where connectivity is the best way to extend influence, China is taking the lead with its Belt & Road initiative. India too has chosen to extend funds to rebuild old railway lines, and construct bridges, power plants, ports and roads in Bangladesh. Plans to revive inland waterway channels are also underway, and hold the potential to increase connectivity with Nepal and Bhutan.

Prime Minister Modi also said that peace and security will remain the central engagement between the two neighbours. His assurance of an “early resolution” of the Teesta water dispute has firmly brought the elephant in the room to the fore. However, West Bengal’s Chief Minister Mamata Banerjee’s proposal of sharing waters of 4 out of 5 rivers from the northern part of the state into Bangladesh found no takers.⁵

It is clear that increased cooperation between India and Bangladesh will not only increase energy cooperation and connectivity, it will also help India connect to itself, to the benefit especially of the North-Eastern States.

That being said, as is always the case, what many thought were achievements were viewed in a different light by others. The strongest opposition came from Bangladesh leader Khaleda Zia who accused Prime Minister Sheikh Hasina of “selling out” the country to India to cement her “dream of staying in power for life.”⁶ She stated that the MoUs though on the surface show otherwise; have in actuality put Bangladesh’s security at risk.

Brushing aside the accusations, Hasina stated that consensus with neighbouring countries is very crucial for modernization of the defence force and its institutions. She said the interest rate of the credit to be

⁴ <http://www.livemint.com/Politics/kduouENTGMfwEmokftAqoN/Modi-announces-45-billion-line-of-credit-to-Bangladesh-Te.html>

⁵ <https://www.thethirdpole.net/2017/04/14/teesta-has-one-sixteenth-of-water-needed/>

⁶ <http://www.financialexpress.com/india-news/pm-sheikh-hasina-selling-bangladesh-to-india-to-stay-in-power-khaleda-zia/621275/>

available under the MoU is only one per cent and the loan is payable in 20 years. Moreover, under the MoU, Bangladesh would select its requirements without Indian inference.

Taking account of events in the past year alone, it is crystal clear that India is fighting tooth and nail to ensure regional dominance. The game in South Asia has changed. The deepening relationship between Dhaka and Beijing means Delhi has taken to wooing Dhaka in subtle ways so as to steer Dhaka away from Beijing.

Simultaneously, India has already launched a policy of isolating Pakistan by increasing its bilateral relations with every country in the region except Pakistan. In order to counter this, Pakistan should work on enhancing its bilateral ties, especially with its neighbours. A friendly neighbourhood is an asset. An aggressive one is an impediment to any nation's development.