

ISSUE BRIEF

INSTITUTE OF STRATEGIC STUDIES ISLAMABAD Web: www.issi.org.pk Phone: +92-51-9204423, 24 Fax: +92-51-9204658



Bangladesh's Prime Minister Sheikh Hasina visited India from September 5-8, 2022.1 PM Hasina's recent visit came after she accepted Prime Minister Modi's invitation to visit India under his "neighborhood first" policy. ² The visit was aimed at strengthening relations between Bangladesh and India through increased connectivity and trade facilitation. Upon her return to Bangladesh, the Bangladeshi Premier stated that "I have not returned empty-handed from India."₃ During the visit, seven Memorandum of Understanding (MoUs) were signed in areas like water-sharing, railways, science, judiciary, and space4 between the two countries.

A peek into the highlights of PM Hasina's activities in India is crucial to analyze the visit.

"India - Bangladesh Joint Statement during the State Visit of Prime Minister of Bangladesh to India," Ministry of External Affairs, Government of India, accessed September 12, 2022, https://www.mea.gov.in/bilateraldocuments.htm?dtl/35680/India++Bangladesh+Joint+Statement+during+the+State+Visit+of+Prime+Minis ter+of+Bangladesh+to+India

² "Neighbourhood First: Bangladesh PM to Visit India, Focus on Deepening Ties," *Financial Express*, last modified September 4, 2022, https://www.financialexpress.com/defence/neighbourhood-first-bangladesh-pm-to-visit-india-focus-on-deepening-ties/2654504/.

³ "'I Have Not Returned Empty Handed' from India: Bangladesh PM Hasina," *Business Standard*, accessed September 19, 2022, https://www.business-standard.com/article/current-affairs/i-have-not-returnedempty-handed-from-india-bangladesh-pm-hasina-122091401249_1.html.

⁴ IANS, "India, Bangladesh Sign Seven Pacts As Sheikh Hasina Visits Country," *Business Standard*, accessed September 12, 2022, https://www.business-standard.com/article/international/india-bangladesh-sign-seven-pacts-as-sheikh-hasina-visits-country-122090601135_1.html.

On 6th September, Sheikh Hasina announced the Mujib Scholarship to 200 family members of descendants of Indian soldiers killed and injured in the 1971 war.⁵ Two MoUs titled, "Training of Bangladesh Railway Employees in the Training Institute of Indian Railways" and "Collaboration in IT Systems such as Freight Operations Information System (FOIS) and other IT applications for Bangladesh Railway" were signed between the Railways Ministries of both countries.⁶ Hasina also met the Indian President Droupadi Murmu⁷ and the former Congress President Rahul Gandhi⁸ on the same day.

On 7th September, India and Bangladesh signed a water-sharing agreement along with a few other agreements. Earlier in August 2022, both countries finalized the text of the agreement on interim water-sharing on the Kushiyara River. On 25th August 2022, the text was agreed upon at the 38th Ministerial-Level meeting of the India-Bangladesh Joint Rivers Commission (JRC), a bilateral working group formulated in 1972 to resolve the water-sharing issue between the two countries.⁹ "The agreement will benefit southern parts of Assam state in India and the Sylhet region in Bangladesh."¹⁰ It was the first-ever arrangement between the two countries after the Ganges Treaty in 1996. The other agreements signed on the same day included collaboration in science and technology and other scientific domains.

During the visit, both the Prime Ministers, Modi, and Hasina met and discussed issues like enhancing bilateral trade between the two countries under the Comprehensive Economic Partnership Agreement (CEPA). A discussion for enhancing cooperation in areas like security, defense, power, environment, cyber security, green energy, and blue economy also came to life during this meetup.¹¹

 [&]quot;Bangladesh to Confer Mujib Scholarship to Descendants of Indian Soldiers Killed, Injured in 1971 War," *The Economic Times*, last modified September 6, 2022, https://economictimes.indiatimes.com/news/defence/bangladesh-to-confer-mujib-scholarship-todescendants-of-indian-soldiers-killed-injured-in-1971-war/articleshow/94031389.cms.

⁶ ANI, "India, Bangladesh Sign 2 Agreements to Deepen Railway Co-operation," *Business Standard*, accessed September 19, 2022, https://www.business-standard.com/article/international/india-bangladesh-sign-2-agreements-to-deepen-railway-co-operation-122090700131_1.html.

[&]quot;8 "Bangladesh PM in India Highlights: Sheikh Hasina Meets President Droupadi Murmu," Hindustan Times, last modified September 6, 2022, https://www.hindustantimes.com/india-news/bangladesh-pm-sheikhhasina-in-india-live-updates-to-meet-pm-narendra-modi-today-101662423535933.html

^{* &}quot;Rahul Gandhi Meets Bangladesh Prime Minister Sheikh Hasina in New Delhi," Republic World, last modified September 6, 2022, https://www.republicworld.com/india-news/politics/rahul-gandhi-meetsbangladesh-prime-minister-sheikh-hasina-in-new-delhi-articleshow.html.

Shubhajit Roy, "Delhi, Dhaka Sign River Pact, First in 25 Years; Hasina Praises Modi," The Indian Express, last modified September 7, 2022, https://indianexpress.com/article/india/sheikh-hasina-india-visit-delhidhaka-sign-river-pact-first-in-25-years-8135250/.

¹⁰ Ibid.

¹¹ "Sheikh Hasina India Visit Live Updates: India, Bangladesh Discuss Ways to Fight Cross-border Crimes," The Times of India, accessed September 15, 2022, https://timesofindia.indiatimes.com/india/bangladesh-pmsheikh-hasina-india-visit-pm-modi-live-updates-september-6/liveblog/94016969.cms.

Bangladesh and India enjoy a thriving relationship. Both PM Modi and Hasina have met 12 times since 2015.¹² Bangladesh is India's biggest trade partner in South Asia. Only during the last five years, their bilateral trade has risen from 9 billion US dollars to 18 billion US dollars.¹³ Bangladesh is India's fourth largest export destination as well. During the year 2021-2022, their exports have grown 66 percent i.e. from 9.69 billion US dollars in the 2020-2021 to 16.15 billion US dollars the next year.¹⁴

Bangladesh is also India's largest development partner. The development projects between the two countries have reached more than two billion US dollars.¹⁵ Moreover, there are mega connectivity projects between them including Maitri Setu Bridge and the Chilahati-Haldibari rail link.¹⁶

In addition, both countries have exchanged on the soft power front. India offers lucrative scholarships to Bangladeshi students. Since 2017, 9000 students from Bangladesh have availed the Nutan Bharat Bangladesh Maitree Muktijoddha Santan Scholarship for educational purposes.¹⁷ Moreover, India's missions in Bangladesh grant the largest number of visas globally. India is also a hub for seeking medical treatment for Bangladeshis where around 2.3 lacs medical visas were issued in 2019 alone, before the pandemic hit the world.¹⁸

Against this backdrop, resuming negotiations on CEPA seems a big step toward furthering economic relations between both countries. According to a World Bank working paper, this free trade agreement could help Bangladesh's exports rise to 182 percent.¹⁹ The rise could reach 300 percent if combined with reduced transaction costs and other trade facilitations under the agreement. ²⁰ CEPA will help Bangladesh reach this growth by allowing it free and immediate access to a big market like India.

[&]quot;Bangladesh PM Sheikh Hasina to Meet PM Modi Today," The Times of India, last modified September 6, 2022, https://timesofindia.indiatimes.com/india/bangladesh-pm-sheikh-hasina-to-meet-pm-modi-today/articleshow/94017276.cms.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

Press Trust of India, "Bangladesh PM Hasina to Embark on Four-day Visit to India on Monday," Business Standard, accessed September 12, 2022, https://www.businessstandard.com/article/international/bangladesh-pm-hasina-to-embark-on-four-day-visit-to-india-onmonday-122090400696 1.html.

¹⁷ Ibid.

¹⁸ Ibid.

[&]quot;Unlocking Bangladesh-India Trade: Emerging Potential and the Way Forward," World Bank Working Paper, Open Knowledge Repository, last modified August 2012, https://openknowledge.worldbank.org/bitstream/handle/10986/11996/WPS6155.pdf?sequence=1&isAllo wed=y

²⁰ Ibid.

Irritants in the bilateral relationship

Despite their growing relationship, both countries have a few issues that have been major irritants in their bilateral relations. Sharing the waters of the Teesta rivers is one of them. For decades, Bangladesh has pushed for a pact on water sharing for the Teesta River, a major transboundary river that begins in India's Sikkim state and runs through the north of West Bengal state before flowing into Bangladesh.²¹

Bangladesh and India were on the verge of signing an agreement in 2011, when the West Bengal's Chief Minister Mamata Banerjee pulled out at the last moment, and scuttled the deal.²² Both India and Bangladesh share 54 rivers. Despite identifying seven rivers as a top priority for formulating a water-sharing framework, the countries have failed to achieve the goal so far.²³ Their inability to sign a much-anticipated agreement about the Teesta River is a befitting example in this regard.

Moreover, proposing the National Register of Citizens (NRC) and Citizenship Amendment Act (CAA) created some rough patches between the otherwise thriving bilateral ties between the two countries. PM Hasina called the CAA "not necessary,"²⁴ when it was proposed. Subsequently, the then Foreign Secretary of India Harsh Vardhan Shringla, who had been a former Indian envoy to Bangladesh, traveled to Dhaka twice to assuage these concerns.²⁵

Bangladesh has also repeatedly expressed concerns over other issues like the repatriation of Rohingya refugees and border killings to India.₂₆ These two issues also remained outstanding after the recent visit. Nonetheless, the visit holds significance for PM Hasina as Bangladesh enters the general elections next year. It allows her to portray a soft and regionally well-connected side of her government to the western countries that are concerned about the fairness of the upcoming elections in Bangladesh.

²¹ Shubhajit Roy, "As Bangladesh PM Sheikh Hasina Arrives, Taking Stock of India-Bangladesh Ties: the Achievements and the Irritants," The Indian Express, last modified September 6, 2022, https://indianexpress.com/article/explained/explained-politics/pm-hasina-arrives-india-bangladesh-tiesachievements-irritants-8132690/.

²² Ibid.

^{23 &}quot;Neighbourhood First"

²⁴ Roy, "As Bangladesh PM Sheikh Hasina Arrives"

²⁵ Ibid.

²⁶ Shamsuddoza Sajen, "PM Hasina's India Visit 2022: Will India Ever Reciprocate Our Favour?" The Daily Star, last modified September 8, 2022, https://www.thedailystar.net/opinion/views/news/pm-hasinasindia-visit-2022-will-india-ever-reciprocate-our-favour-3113481.