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INTER COUNTRY ECONOMIC CORRIDOR THROUGH NORTH EAST OF INDIA FOR INCLUSIVE GROWTH:

POTENTIAL AND PROSPECTS

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INTRODUCTION

Overview

Economic corridors represent strategic initiatives aimed at fostering economic integration, facilitating trade, and promoting development within specific geographical regions. These corridors typically consist of interconnected infrastructure networks, including roads, railways, ports, and airports, along with supportive policy frameworks and institutional mechanisms to enhance connectivity and economic cooperation.

The eight states in the Northeast region - Assam, Arunachal Pradesh, Meghalaya, Tripura, Mizoram, Sikkim, Manipur, and Nagaland - boast strategic geographic locations, abundant natural resources, biodiversity, and skilled populations. Sharing approximately 5300 kilometers of international borders with China, Bhutan, Myanmar, Bangladesh, and Nepal, the Northeast is positioned to serve as a crucial land bridge connecting mainland India with ASEAN countries and facilitating robust regional trade and investment activities.

Assam, in particular, plays a pivotal role in this connectivity dynamic, serving as a vital corridor linking Bhutan, Nepal, and Bangladesh. Noteworthy trade activities between Bhutan and Bangladesh are facilitated through Assam, with ongoing infrastructure developments such as the Multimodal logistics facility at Jogigopha and the construction of a railway line connecting Kokrajhar in Assam to Gelephu in Bhutan.

The Bhutan-Bangladesh-India-Nepal (BBIN) motor vehicle agreement further enhances connectivity between these nations, with Assam central to its implementation. These strategic initiatives harbor immense potential to drive economic growth in the Northeast, requiring comprehensive market understanding and effective strategies to fully capitalize on them.

Considering the burgeoning trade ties, improving economic dynamics and substantial infrastructure investments, establishing an economic corridor, interconnecting India (Assam), Bhutan, Nepal, Bangladesh, and ASEAN countries, is an opportune. Such a corridor would facilitate mutual market access, leverage existing complementarities, and extend its reach to markets in the ASEAN region and beyond.



HISTORICAL CONTEXT

Historical Trade Relations between Bhutan, Assam (India), Bangladesh and Nepal

The region comprising present-day Bhutan, Assam, Bangladesh and Nepal has a rich history of trade dating back to ancient times. Trade routes such as the ancient Silk Road facilitated the exchange of goods, ideas, and cultural influences between the Indian subcontinent and neighbouring regions.

Bhutan: Historically, Bhutan has engaged in trade relations with neighbouring regions, including Assam, Bengal (now part of Bangladesh), and Nepal. Trade routes traversed mountain passes and river valleys, facilitating the exchange of goods such as spices, textiles, timber, and agricultural produce.

Assam (India): Assam, strategically located at the crossroads of South and Southeast Asia, has been a hub for trade and commerce. The region's tea, silk, spices, and other commodities have attracted traders from Bhutan, Bengal, and beyond.

Bangladesh: Bengal, which encompassed present-day Bangladesh, was a centre of commerce and culture in ancient and medieval times. The region's ports, such as Chittagong and Dhaka, facilitated maritime trade with neighbouring countries, including Bhutan and Assam.

Nepal: Nepal's location between India and Tibet positioned it as a crucial trade intermediary along the ancient Silk Road. Trade caravans traversed mountain passes, exchanging goods between South Asia and Central Asia.

Evolution of Economic Ties and Infrastructure Development

Pre-Colonial Era: Prior to colonial rule, trade relations among Bhutan, Assam, Bangladesh, and Nepal flourished, supported by well-established trade routes and networks. Infrastructure such as roads, bridges, and marketplaces emerged to facilitate commerce.

Colonial Period: British colonial rule in India brought significant changes to the region's economy and infrastructure. The British developed transportation networks, including railways and waterways, to extract resources and facilitate trade within the Indian subcontinent and beyond. Assam's tea plantations and Bengal's jute mills became key components of colonial economic exploitation.

Post-Independence Era: Following independence, the partition of British India in 1947 led to the creation of separate nation-states, including India, Pakistan (later divided into Pakistan and Bangladesh), and eventually, Nepal and Bhutan. Despite political boundaries, economic ties persisted, albeit with varying degrees of intensity due to geopolitical factors.

Infrastructure Development: Independent India and its neighbouring countries have invested in infrastructure development to enhance connectivity and promote economic growth. Projects such as highways, railways, ports, and energy infrastructure have been undertaken to improve transportation and trade facilitation.

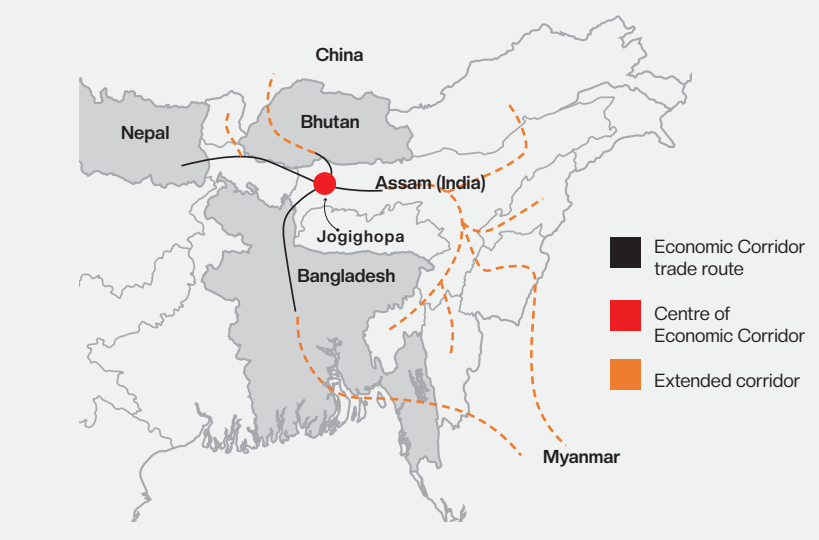
Regional Cooperation Initiatives: Over time, various regional cooperation initiatives have been launched to promote economic integration and connectivity among Bhutan, Assam, and Bangladesh. These include initiatives under the South Asian Association for Regional Cooperation (SAARC), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), and the Bangladesh, Bhutan, India, Nepal (BBIN) Initiative, among others.

SUB-REGIONAL ECONOMIC CORRIDOR: DECODING THE CONCEPT

Proposing a sub-regional trade and economic corridor covering Bhutan-Bangladesh-Assam (India) and Nepal region entails integrating the economic activities, infrastructure development, and trade facilitation efforts of the four countries to promote regional cooperation, connectivity, and shared prosperity.

In the context of the Act East Policy, the concept of economic corridors gains particular significance as it aligns with the policy's objectives of enhancing economic engagement and connectivity with Southeast Asian nations. The Bhutan-Bangladesh- India (Assam)-Nepal Economic Corridor emerges as a vital component of this broader vision, offering a pathway for enhanced trade, investment, and people-to-people exchanges across the region.

The proposed economic corridor holds immense significance for the economic development and regional integration of the involved countries. It leverages the geographical proximity and historical ties between Bhutan, Assam (India), Bangladesh and Nepal to create synergies and unlock the full potential of cross-border cooperation.



This corridor will not only facilitate the flow of goods, services, and investments but also promote cultural exchanges and strengthens diplomatic relations among the participating nations. By enhancing connectivity and reducing trade barriers, the corridor will open up new avenues for economic growth, job creation, and poverty reduction in the region, thereby contributing to the broader goals of sustainable development and inclusive prosperity.

The proposed corridor will aim at

1. Infrastructure Development:

- Enhance transportation infrastructure, including roadways, railways, waterways, and air connectivity, to improve accessibility and connectivity between Bhutan, Bangladesh, Assam (India), and Nepal.
- The Royal Government of Bhutan is constructing its first international border smart city in Gelephu bordering Assam.
- The Smart city will follow environmental standards and sustainability and will aim to attract quality investment from major international companies.
- The city is rooted in the vision and values of Gross National Happiness (GNH), as it aspires to be a Mindfulness City and envisions setting up of "zero emission" industries.
- The Government of India is constructing the first India-Bhutan railway line to Gelephu.
- The proposed railway will also connect with roadways and border trading points into Assam and West Bengal, eventually providing Bhutan access to Bangladesh, Myanmar, Thailand, Cambodia and Singapore.

- Develop cross-border trade facilitation infrastructure such as integrated check posts (ICPs), border crossings, and customs clearance facilities to streamline trade processes and reduce logistics costs.

- Jogighopa MMLP in Assam is the 1st international multi-modal logistics hub in India which will be able to leverage the benefits of the inland water-ways terminal at Brahmaputra river, the Rupsi Airport in Dhubri and the growing National Highway network in Assam.

- Jogighopa MMLP is at distance of 110 kms from the nearest Bangladesh border, 90 kms from the nearest Bhutan border and 300 kms from the nearest Nepal border.



2. Trade Facilitation:

Harmonize trade policies, regulatory frameworks, and customs procedures among Bhutan, Bangladesh, Assam (India), and Nepal to facilitate seamless cross-border trade and investment flows. ***As per World Bank report in 2022, around 22 documents and 55 signatures are needed to trade between Bangladesh and India. In Bhutan, importers need to submit their documents to different authorities 86 times on average, while exporters need to do so 74 times.***

Establish trade promotion councils and joint business forums to promote bilateral and multilateral trade relations, facilitate business matchmaking, and address trade-related challenges and barriers.

3. Investment Promotion:

Create an enabling environment for investment by implementing investor-friendly policies, providing incentives for foreign direct investment (FDI), and facilitating cross-border investment flows in key sectors such as infrastructure, manufacturing, tourism, and agriculture.

Promote public-private partnerships (PPP) and joint ventures for infrastructure development projects, industrial parks, special economic zones (SEZs), and trade facilitation initiatives within the corridor.

4. Tourism Development:

Promote tourism collaboration and develop tourism circuits that showcase the cultural heritage, natural beauty, and adventure tourism opportunities in Bhutan, Bangladesh, Assam (India), and Nepal.

Facilitate visa facilitation, cross-border travel, and tourism infrastructure development to attract domestic and international tourists to the region and promote sustainable tourism practices.

5. Energy Cooperation:

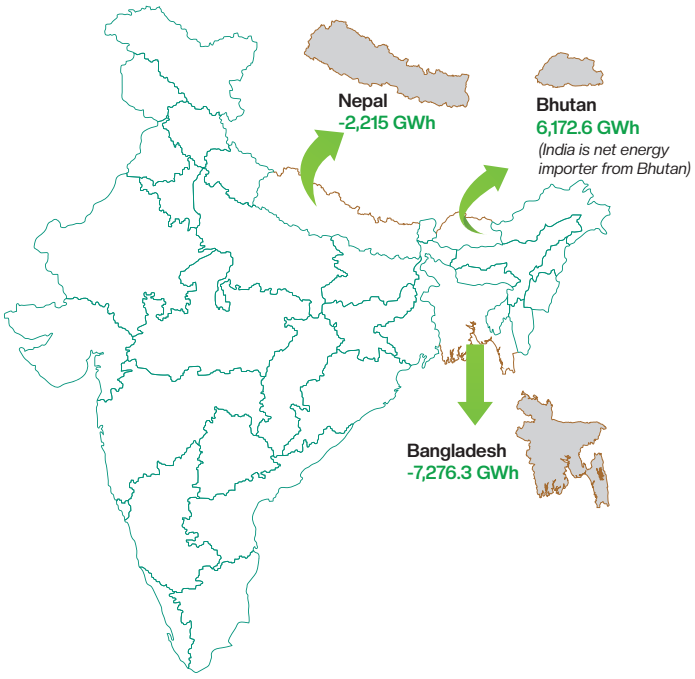
Foster energy cooperation and develop cross-border energy infrastructure such as transmission lines, hydropower projects, and renewable energy initiatives to promote energy security, access, and sustainability in the region.

Facilitate energy trade and cross-border electricity exchanges to optimize energy resources, promote clean energy transitions, and support economic development and industrial growth.

6. Digital Connectivity:

Enhance digital connectivity and telecommunications infrastructure to improve internet access, digital literacy, and e-commerce capabilities in Bhutan, Bangladesh, Assam (India), and Nepal.

Promote cross-border digital trade, innovation, and entrepreneurship through initiatives such as digital skills training, startup incubation centers, and digital payment systems.



GEOPOLITICAL AND ECONOMIC LANDSCAPE

Geopolitical factors shaping regional cooperation

The countries in the subregion are strategically positioned between South Asia and Southeast Asia. This location makes the corridor vital for regional connectivity and trade, as well as for geopolitical interests in the region.

SHORTEST LAND DISTANCE (APPROX.) BETWEEN INTERNATIONAL BORDERS

COUNTRY	NEPAL	INDIA (ASSAM)	BANGLADESH	BHUTAN
Bhutan	150 kms	00 kms	110 kms	--
Bangladesh	50 kms	00 kms	--	110 kms
India (Assam)	200 kms	--	00 kms	00 kms
Nepal	--	200 kms	50 kms	150 kms

Source: Google maps

LENGTH OF INTERNATIONAL BORDERS

SHARING OF LAND BORDER	BANGLADESH	BHUTAN	NEPAL	TOTAL
ASSAM (INDIA)	263 KMS	267 KMS	0 KMS	530 KMS

Source: Ministry of DoNER, GoI

India, as the largest economy and a major regional power, plays a significant role in shaping the economic and geopolitical landscape of the region. Balancing competing interests and fostering cooperation among member states is essential for the success of the corridor.

Infrastructure projects, including roads, railways, ports, and energy networks, will play a significant role in enhancing connectivity and facilitating trade and investment within the corridor. Geopolitical factors such as funding sources, project financing, and technical cooperation can influence the implementation and success of infrastructure initiatives.

Bilateral and multilateral relations between Bhutan, Assam (India), Bangladesh and Nepal as well as their engagement with regional organizations and forums, will shape regional cooperation. Diplomatic dialogue, economic partnerships, and participation in regional initiatives such as **SAARC, BIMSTEC,** and **BBIN** will contribute to strengthening ties and promoting mutual prosperity.

Economic indicators and trade dynamics among the involved countries

GDP Growth: BBIN countries exhibit varying levels of economic growth, with India being the largest economy in the region experiencing robust economic growth rates, driven by factors such as demographic trends, infrastructure development, and investment inflows.

Trade Flows: Intra-regional trade among BBIN countries has been growing steadily, although there is still significant untapped potential. Trade is dominated by sectors such as agriculture, textiles, machinery, and electronics. However, non-tariff barriers, bureaucratic hurdles, and infrastructure constraints continue to impede the full realization of trade opportunities within the corridor.

VOLUME OF TRADE AMONG BBIN COUNTRIES (REPORTED AS ON 2021)[1]

To → / From ↓	Nepal	India	Bangladesh	Bhutan
Bhutan	$10.4M	$322M	$37.4M	
Bangladesh	$116M	$1.72B		$2.44M
India	$9.4B		$14.1B	$868M
Nepal		$1.34B	$5.94M	$6.5M

Investment Climate: The investment climate varies across BBIN countries, with factors such as regulatory environment, infrastructure, and political stability influencing investment decisions. Efforts to improve the ease of doing business and attract foreign investment are underway in member countries.

Existing infrastructure and connectivity projects

ROAD INFRASTRUCTURE:

Asian Highway Network: The Asian Highway Network includes several routes passing through Bhutan, Assam, and Bangladesh, facilitating cross-border trade and connectivity; AH1 connects Bhutan to Assam via India, while AH2 connects Assam to Bangladesh.



Highways	Routes
AH1	Bangkok – Moreh – Imphal – Kohima – Dimapur – Nagaon – Jorabat – Shillong – Dawki – Tamabil – Sylhet – Katchpur – Dhaka – Petrapole – Barasat
AH2	Bangkok – Moreh – Imphal – Kohima – Dimapur – Nagaon – Jorabat – Shillong – Dawki – Sylhet – Dhaka – Siliguri – Nepal

National Highways: India's National Highways, particularly those passing through Assam, serve as vital corridors for trade and transportation within the region. These highways link major cities and economic centers, facilitating the movement of goods and people.

Highways	Routes
NH-37 & 40	Guwahati-Jorabat-Shillong-Dauki-Sylhet-Dhaka
NH-37, 40, 44 & 151	Guwahati-Jorabat-Shillong-Karimganj-Sutarkandi-Sylhet-Dhaka
NH 37, 51	Guwahati-Paikan-Dalu-Dhaka
NH-152	Patacharkuchi-Pathsala-Bhutan Border

RAIL CONNECTIVITY:

Indian Railways: The extensive railway network of Indian Railways connects Assam to other parts of India and serves as a crucial mode of transportation for both passengers and freight. Improvements in railway infrastructure and connectivity contribute to regional economic integration.

Trans-Asian Railway: The Trans-Asian Railway project aims to enhance rail connectivity across Asia, including South Asia. While the project is still under development, it holds the potential to improve rail links between Bhutan, Assam, and Bangladesh in the future.

*The Observatory of Economic Complexity (oec.world)

PORT FACILITIES:

Sea Port: Located in Bangladesh, Chittagong Port is the country's largest seaport and serves as a gateway for international trade. Bangladesh has recently allowed Bhutan to use Mongla seaport for movement of goods. Additionally, India uses Chattogram and Mongla seaports to move goods between NER and rest of India. Improvements in port infrastructure and efficiency benefit trade between Bangladesh and neighbouring countries, including Bhutan and Assam.

Inland Water Transport: In the Northeast region, there are 19 national waterways, with Assam boasting navigable inland waterways extending to a total of 1,983 kms. The stretch from Sadiya to Dhubri, spanning 891 kms, is already operational as National Waterway No. 2. Additionally, Assam is connected by three Indo-Bangla Inland Water Transit (IWT) protocol routes, further enhancing its connectivity and trade potential through waterborne transportation.

AIR CONNECTIVITY:

NE region has 15 operational airports of which 7 are in Assam. LGBI, Guwahati is the largest airport in NE region with international connectivity to Bangkok & Paro (Bhutan). Regular flight connectivity with Bhutan, Bangladesh and Nepal can boost the overall economic activities in the region.

ENERGY INFRASTRUCTURE:

Hydropower Projects: Bhutan's hydropower projects, such as the Punatsangchhu and Mangdechhu projects, contribute to regional energy security and cooperation. These projects generate electricity for export to India, fostering economic ties between Bhutan and Assam. Currently, trading of electricity between India-Nepal, India-Bangladesh, and India-Bhutan currently takes place through bilateral agreements.

TRADE & INVESTMENT INFRASTRUCTURE[2]:

LCS IN INDIA	RECIPROCAL LCS/ICP	COUNTRY
Sutarkhandi	Sheola	Bangladesh
Karimganj Steamer Ghat	Zakiganj	Bangladesh
Mankachar	Rowmari	Bangladesh
Golakganj	Bhurungamari	Bangladesh
Karimganj Ferry Station	Zakiganj	Bangladesh
Mahisasan Railway Station	Sahabajpur	Bangladesh
Silchar R.M.S. office	-	Bangladesh
Dhubri Steamerghat	Rowmati	Bangladesh
Gauhati Steamerghat		Bangladesh
Silghat	Silghat is in Nagaon and inland waterway route	Bangladesh
Darranga	Samdrup Jongkha	Bhutan
Hatisar	Gelephu	Bhutan
Ultapani	Sarbhand	Bhutan

[2]List ,Ministry of Development of North Eastern Region, North East India (mdoner.gov.in)

Type of Infrastructure[3] (in the vicinity of the proposed Economic corridor)	Location In India	Accessibility
Mega Food Park	Nalbari, Assam	**Air:** 100.3 km LGBI Airport, Guwahati **Rail:** Tihu Railway Station, Tihu Main Road, Tihu, **Road:** 90 KM from Guwahati.
Jute Park	Nagaon, Assam	**Air:** 81.4 km from Tezpur Airport **Rail:** 29.5 km from Nagaon Station **Road:** 100 km from Guwahati
Tea Park	Kamrup, Assam	**Air:** 35 KM from LGBI Airport, Guwahati **Rail:** 39.3 KM from Kamakhya railway station & 7 KM from nearest Railway station **Road:** 55 KM from Guwahati and 3 KM from NH-37
Border Trade Centre	Mancachar, Assam	**Air:** 246 kms from LGBI Airport, Guwahati **Rail:** 59 km from Dhubri Railway Station **Road:** 270 kms from Guwahati, 162 km from Goalpara
Border Trade Centre	Dhubri, Assam	**Air:** 280 km from LGBI Airport, Guwahati **Rail:** 21 km from Dhubri Railway Station **Road:** 21.4 km from Dhubri town
Border Trade Centre	Baksa, Assam	**Air:** 96 km from LGBI Airport, Guwahati **Rail:** 48 km Rangiya Railway station **Road:** 48 km from Rangiya
Export Promotion Industrial Park	Kamrup, Assam	**Air:** 18 KM from LGBI Airport, Guwahati **Rail:** 4.00 KM from Kamakhya Railway Station **Road:** 10.00 KM distance from Guwahati City
Industrial Growth Centre	Goalpara, Assam	**Air:** 115 KM from LGBI Airport, Guwahati **Rail:** 15.00 KM from Goalpara Town Railway station **Road:** 130 KM distance from Guwahati City and 15 KM from NH-37
Integrated Infrastructure Development Centre	Darrang, Assam	**Air:** 77.3 kms from Tezpur Airport **Rail:** 20 kms from Rowta Railway Station **Road:** 92 KM from Guwahati, 22 KM from Mangaldoi
Integrated Infrastructure Development Centre	Cachar, Assam	**Air:** 25 kms from Kumbhirgram Airport (Silchar) **Rail:** 2 kms from Silchar Railway station **Road:** 343 kms from Guwahati
Integrated Infrastructure Development Centre	Nalbari, Assam	**Air:** 61.4 km from LGBI Airport, Guwahati **Rail:** Nalbari Railway Station, Samin Nagar, Milanpur, Nalbari **Road:** 59.3 km from Guwahati
Infrastructure Development Project	Barpeta, Assam	**Air:** 100.3 km from LGBI Airport, Guwahati **Rail:** Pathsala Railway Station **Road:** 100 km from Guwahati

[3]Industrial Infra, Pathsala | Assam Industrial Development Corporation Ltd | Government Of Assam, India

Overview of major traded goods

Agricultural Products: Bhutan, Assam, Bangladesh, and Nepal are known for their diverse agricultural produce, including rice, tea, spices, fruits, and vegetables. These goods form a significant portion of intra-regional trade.

Textiles and Garments: Bangladesh is a major exporter of textiles and garments, while Assam also has a growing textile industry. Trade in textiles and garments is a key component of regional trade dynamics.

Manufactured Goods: Assam and Bangladesh produce a range of manufactured goods, including machinery, electricals plastics and pharmaceuticals. These products contribute to intra-regional trade and economic integration.

Natural Resources: Bhutan and Nepal possess abundant natural resources, including hydropower in Bhutan and minerals in Nepal. Trade in natural resources and related products plays a crucial role in regional economic cooperation.

NON-TARIFF BARRIERS FOR INDIAN EXPORTERS[4]

BY → / TO ↓	INDIA
BHUTAN	**Sanitary and Phytosanitary (SPS)** • Labelling, marking, and packaging requirements • Certification requirement **Technical Barriers to Trade (TBT)** • Requirement that the importer should receive authorization, permits, or approval from a relevant government agency of the destination country, for reasons such as national security, environment protection, and others. • Requirement that importers should be registered to import certain products • Labelling requirements • Regulations on production processes • Conditions to be satisfied in terms of performance (e.g., durability, hardness) or quality (e.g., content of defined ingredients). • Requirement for verification that a given TBT requirement has been met
BANGLADESH	**Sanitary and Phytosanitary (SPS)** • Special authorization requirement for SPS reasons • Registration requirements for importers • Tolerance limits for residues of or contamination by certain (nonmicrobiological) substances • Labelling, marking, and packaging requirements • Hygienic practices during production • Certification requirement **Technical Barriers to Trade (TBT)** • Labelling requirements • A requirement for products to be tested against a given regulation, such as performance level – includes sampling requirement. • Requirement for verification that a given TBT requirement has been met
NEPAL	**Sanitary and Phytosanitary (SPS)** • Special authorization requirement for SPS reasons • Labelling requirements • Storage and transport conditions **Technical Barriers to Trade (TBT)** • Imports are prohibited for hazardous substances • Requirement that the importer should receive authorization, permits, or approval from a relevant government agency of the destination country, for reasons such as national security, environment protection, and others • Product identity requirement • Requirement for verification that a given TBT requirement has been met

Example of Non-tariff barrier leading to high cost of compliance for labelling requirements:
As per the Food Safety (Labeling) Regulations 2017 of Bangladesh, Food Products exported to Bangladesh[5] must be labelled in the Bengali language with many additional labelling requirements, even if the label of the product is already in English and any foreign language. On the other hand, in India, label should be in English o

[4][Potential Exports and Nontariff Barriers to Trade: India National Study (adb.org)]
[5][Non-Tariff-Barriers-faced-by-Indian-Exporters.pdf (eacpm.gov.in)]

Considering the geographical proximity and cultural similarity, trade in services plays a significant role in promoting economic activities and enhancing cooperation within the Bhutan, Assam, Bangladesh and Nepal economic corridor.

POTENTIAL SECTORS FOR GROWTH:

Tourism: The proposed Bhutan-Bangladesh-Assam (India)-Nepal Economic Corridor presents a unique opportunity to boost tourism across the region of Assam, other North-eastern states, Bhutan, Bangladesh, and Nepal. By promoting integrated tourism development, simplifying cross-border travel procedures, and highlighting the diverse attractions and experiences available within the corridor, stakeholders can attract more visitors and create opportunities for sustainable socio-economic growth. Through joint marketing initiatives, cultural exchange programs, and investment in tourism infrastructure, the corridor can become a vibrant tourism destination, offering travellers a unique blend of cultural heritage, natural beauty, adventure activities, and spiritual experiences. Collaboration among government agencies, private sector stakeholders, and local communities will be essential to realizing the full potential of tourism within the region.

Healthcare: There is a growing demand for healthcare services in the region, driven by factors such as population growth, urbanization, and increasing healthcare awareness. Investing in healthcare infrastructure, medical facilities, telemedicine services, and healthcare tourism can attract patients from neighbouring countries and promote cross-border healthcare collaborations.

Education and Training: Education and training services are essential for human capital development and skill enhancement in the region. Promoting educational institutions, vocational training centers, e-learning platforms, and student exchange programs can foster knowledge exchange, capacity building, and workforce development across borders.

Information Technology: The region has the potential to become a hub for IT and BPO services, leveraging its skilled workforce, competitive costs, and favorable business environment. Promoting IT parks, software development firms, call centers, and outsourcing services can attract investment, create employment opportunities, and drive innovation in the region.

Financial Services: Facilitating access to financial services such as banking, insurance, microfinance, and investment can promote financial inclusion and support economic development in the region. Strengthening regulatory frameworks, promoting cross-border banking and insurance services, and enhancing fintech innovation can unlock the potential of financial services trade in the corridor.

Manufacturing Value Chains: Utilise cross border complementarities to develop strong manufacturing value chains. Focus on ASEAN and other developed markets

ADVANTAGE ASSAM: CENTRE OF GROWTH FOR KEY SERVICES TO PROMOTE TRADE IN BBIN

TOURISM	• Tourist circuits connecting other NE states, Bangladesh & Bhutan • Kaziranga National Park, famous for one horned Rhino alone attracted more than 1.8 lakhs domestic and foreign tourists from Oct,2023 until now.
HEALTHCARE	• Affordable and accessible healthcare services • Presence of AIIMS, Apollo Hospitals
EDUCATION AND TRAINING	• Presence of Higher education institutes like IIT, NIT, and IIM in Shillong • Presence of Central Agricultural University • Presence of North East Skill Centre
INFORMATION TECHNOLOGY	• Presence of BPOs • Presence of renowned IT firms like TCS, WIPRO
FINANCIAL SERVICES	• Presence of both Public and Private sector banks

LIST OF ITEMS TRADED IN INTRA BBIN REGION (REPORTED AS ON 2021)[6]

To / From	Nepal	India	Bangladesh	Bhutan
Bhutan	Gypsum, Coal, Cement, Slags, Dross, Scaling of iron or steel, Statues, Readymade garments, Kitchen appliances, Silk garments, Mobile phones, Religious articles, Printing machinery	Electricity, Ferro-silicon dolomite, Semi-finished product of iron or non-alloy steel, Cement, Cardamoms pebbles gravel, Gypsum, Carbide of silicon, Ordinary Portland pozzolana cement	Boulders, Cardamom, Oranges, Pebbles and gravels, Limestone, Dolomite, Ferroalloys, Gypsum, Semi-finished products of iron or non-alloy steel, Silicon carbide	
Bangladesh	Soyabean Meal, Baked Goods, Fruit Juice, Chocolate, Animal Food, Other Processed fruits and nuts, Nitrogenous Fertilizers, Packaged Medicaments, Hair Products, Soyabeans, Potatoes, Jute and other textile fibres, Heavy pure woven cotton, Electric batteries, Broadcasting equipment, Toiletries	Knit & Non-knit textile wears, Vegetable oil, Soyabean oil, Baked Goods, Soyabean Meal, Scrap iron, copper, Textile footwear, Ammonia, Trunks & Cases, Tissue		Garments, Melamine, Pharmaceuticals, Furniture, Aluminium structures (doors, windows etc), Dry food, Confectionary items (sweet biscuits, cakes & pastry), Fruit juice, Mineral water, Kitchenware, Toiletries
India	Refined Petroleum, Petroleum Gas, Electricity, Coal, Rice, Wheat, Spice, Motor Cycles, Cars, Trucks, Tractors, Medicines, Broadcasting equipment, Textiles, Chemicals, Plastics & Rubbers, Animal Products, Footwears, Weapons		Raw Cotton, Pure Cotton Yarn, Wheat, Rice, Corn, Onions, Refined Petroleum, Electricity, Large Construction Vehicles, Raw Sugar, Iron & Aluminium, Animal Products, Animal Hides, Wood Products, Precious Metals, Arts and antiques, Weapons	Diesel, petrol, Motor vehicles for transport of goods(dumper), Ferrous products, Telephones, Electrical distribution panel board, Coke and semi-coke, Soya-bean oil passenger cars, Petroleum bitumen
Nepal		Soyabean Oil, Palm Oil, Seed Oil, Fruit Juice, Textiles, Chemical Products, Textile Footwear, Wood products, mineral products	Vegetable products, Dried legumes, Perfume Plants, Other edible preparations, Animal Products, Paper Goods, Footwear, Headwear	Sculptures and statuary, Electric transformers, Soaps, Garments, Footwear

[6]The Observatory of Economic Complexity (oec.world)

POLICY FRAMEWORK AND INSTITUTIONAL MECHANISMS

Comparative advantage of FDI policy of India

Liberalization and Diversification: India has progressively liberalized its FDI policy, allowing automatic approval for FDI in most sectors and increasing sectoral caps. This liberalization and diversification of sectors allow foreign investors to explore a wide range of investment opportunities across various industries, including manufacturing, services, infrastructure, and technology. In contrast, Bhutan, Bangladesh, and Nepal have more restrictive policies with limited sectors open to FDI and stricter approval processes.

Large Market Size: India boasts a large and rapidly growing market with a diverse consumer base, making it an attractive destination for foreign investors seeking to tap into the country's immense growth potential. The sheer size of India's market offers economies of scale and revenue opportunities that may not be available in smaller economies like Bhutan, Bangladesh, and Nepal.

Robust Legal and Regulatory Framework: India has a well-established legal and regulatory framework governing FDI, providing greater clarity, stability, and transparency for foreign investors. The country's independent judiciary, strong intellectual property rights protection, and investor-friendly policies offer assurance and confidence to foreign investors, mitigating investment risks. In contrast, Bhutan, Bangladesh, and Nepal may face challenges related to regulatory ambiguity, bureaucratic hurdles, and legal uncertainties.

Access to Skilled Labor Force: Being the youth capital of the world, India benefits from a large pool of skilled and educated workforce, including engineers, scientists, technologists, and business professionals. Foreign investors can leverage India's talent pool to drive innovation, productivity, and competitiveness in their operations. While Bhutan, Bangladesh, and Nepal also have skilled labor forces, India's vast talent pool offers greater diversity and specialization across various sectors.

Infrastructure Development: India has made significant investments in infrastructure development, including transportation, logistics, telecommunications, and energy, to support economic growth and facilitate trade and investment. The country's extensive network of roads, railways, ports, airports, and digital infrastructure enhances connectivity and reduces operational costs for foreign investors. In contrast, Bhutan, Bangladesh, and Nepal may face infrastructure challenges, such as inadequate transportation networks, power shortages, and digital connectivity gaps.

Access to Capital Markets: India's robust capital markets offer foreign investors access to diverse sources of financing, including equity markets, debt markets, venture capital, and private equity. Foreign companies can raise capital, access liquidity, and exit investments through initial public offerings (IPOs), secondary offerings, and mergers and acquisitions. In contrast, Bhutan, Bangladesh, and Nepal may have limited access to capital markets and financing options, constraining investment opportunities and liquidity for foreign investors.

Bilateral and multilateral agreements facilitating economic cooperation

India-Bhutan Bilateral Cooperation: India and Bhutan have a close bilateral relationship with agreements covering various sectors such as trade, investment, hydropower, education, and cultural exchange. The Treaty of Friendship between India and Bhutan forms the cornerstone of their relationship, emphasizing mutual respect and cooperation. Agreements on hydropower projects, trade facilitation, and border management are examples of bilateral cooperation between the two countries. The current Agreement on Trade, Commerce and Transit between the Royal Government of Bhutan and the Government of the Republic of India is valid till 2026.

India-Bangladesh Bilateral Cooperation: India and Bangladesh are part of 3 agreements; the Asia-Pacific Trade Agreement (APTA), the General System of Trade Preference (GSTP), and the South Asia Free Trade Agreement (SAFTA). Agreements such as the India-Bangladesh Trade Agreement and the Protocol on Inland Water Transit and Trade facilitate bilateral trade and connectivity. Additionally, agreements on power supply, rail connectivity, and border security contribute to economic cooperation between the two countries. India and Bangladesh have agreed to start the Comprehensive Economic Partnership Agreement (CEPA) to boost bilateral trades.

India-Nepal Bilateral Cooperation: India and Nepal share a multifaceted bilateral relationship with agreements covering trade, transit, investment, energy, and development cooperation. The India-Nepal Treaty of Peace and Friendship provides the framework for their relationship, emphasizing close ties and mutual benefit. Agreements on trade and transit, cross-border infrastructure projects, and hydropower development are examples of bilateral cooperation between India and Nepal. Nepal-India Treaty of Trade (2009), Agreement of Cooperation to Control Unauthorized Trade (2009), Treaty of Transit (1999), and Rail Services Agreement (2004) provide for the bilateral mechanism for trade and transit between both the countries.

COMPARATIVE ANALYSIS OF FDI POLICIES IN BHUTAN, BANGLADESH, INDIA & NEPAL

BHUTAN

Policy effective from 2019

Bhutan's FDI policy is relatively restrictive compared to India. FDI is permitted in select sectors, including manufacturing, tourism, construction, and energy, subject to government approval.

Bhutan imposes sector-specific caps on FDI in certain sectors, with limits on ownership and investment amounts. Investment proposals are evaluated based on factors such as economic viability, employment generation, and technology transfer.

The Department of Industry under the Ministry of Economic Affairs is responsible for regulating and approving FDI proposals. Foreign investors must comply with Bhutanese laws and regulations, including environmental and labor standards.

BANGLADESH

Bangladesh restricts FDI in certain sectors, such as telecommunications, banking, and insurance, to protect domestic interests. FDI is permitted in other sectors, including manufacturing, energy, construction, and export-oriented industries, subject to government approval.

Bangladesh offers various incentives to attract foreign investment, including tax holidays, duty-free imports, and infrastructure support. Special Economic Zones (SEZs) provide additional benefits for investors, such as streamlined approvals and infrastructure facilities.

The Bangladesh Investment Development Authority (BIDA) oversees FDI promotion and facilitation. Foreign investors must comply with regulatory requirements, including investment caps, licensing procedures, and reporting obligations.

INDIA

Policy effective from 2020

India has progressively liberalized its FDI policies over the years to attract foreign investment across various sectors. Most sectors allow automatic approval for FDI up to a certain percentage, while others require government approval.

FDI is permitted in sectors such as manufacturing, infrastructure, telecommunications, retail, e-commerce, and healthcare. Certain sectors, such as defense and broadcasting, have sector-specific FDI limits and regulations.

Foreign investors can enter India through various routes, including automatic route, government route, and through acquisitions in the secondary market. Joint ventures, wholly-owned subsidiaries, and strategic partnerships are common investment structures.

The Department for Promotion of Industry and Internal Trade (DPIIT) oversees FDI policy formulation and implementation. Foreign investors must comply with sector-specific regulations, investment caps, and reporting requirements.

NEPAL

Policy effective from 2019

Nepal has taken steps to promote FDI and liberalize its investment regime. FDI is permitted in sectors such as tourism, agriculture, energy, manufacturing, and information technology, subject to government approval and certain restrictions.

Nepal offers incentives to attract foreign investment, including tax holidays, duty exemptions, and repatriation of profits. Special Economic Zones (SEZs) provide preferential treatment for investors, with streamlined procedures and infrastructure support.

The Department of Industry under the Ministry of Industry, Commerce, and Supplies regulates FDI in Nepal. Foreign investors must comply with sector-specific regulations, investment thresholds, and reporting requirements.

A. COUNTRY SPECIFIC

REGULATORY FRAMEWORKS GOVERNING CROSS-BORDER TRADE AND INVESTMENT

COMPONENT	BHUTAN	BANGLADESH	INDIA	NEPAL
CROSS BORDER TRADE:	**Trade Policy:** Bhutan has a trade policy that emphasizes the promotion of exports and imports while balancing the country's economic and environmental goals. **Bilateral Trade Agreements:** The India-Bhutan Trade and Commerce Agreement facilitates cross-border trade between the two countries.	**Trade Policy:** Bangladesh has a trade policy that aims to facilitate international trade, ensure trade balance, and boost economic growth. **Trade Agreements:** Bangladesh is part of regional initiatives like the South Asian Free Trade Area (SAFTA) and engages in bilateral agreements, such as the India-Bangladesh Trade Agreement.	**Trade Policies:** Assam, being a state in India, follows the trade policies and agreements established by the central government. India, in turn, is part of various regional and bilateral trade agreements. **Interstate Trade:** Assam engages in trade with other Indian states through interstate agreements and follows the Goods and Services Tax (GST) regime for interstate transactions.	**Trade Policies:** Nepal has trade policies that focus on facilitating international trade, enhancing competitiveness, and reducing trade imbalances. **Trade Agreements:** Nepal engages in regional trade agreements, including agreements under the framework of the South Asian Association for Regional Cooperation (SAARC).
INVESTMENT	**Foreign Direct Investment (FDI):** Bhutan has regulations governing foreign direct investment, and the Bhutanese government screens and approves foreign investment projects based on criteria related to economic viability, environmental impact, and social benefit. **Bilateral Investment Treaties (BITs):** Bhutan has engaged in BITs specifically with Bangladesh, India & Nepal to provide legal protection and incentives for foreign investors.	**Foreign Investment:** Bangladesh has specific regulations governing foreign investment, and the Bangladesh Investment Development Authority (BIDA) plays a crucial role in facilitating and promoting foreign direct investment. **Bilateral Investment Treaties (BITs):** Bangladesh has signed several BITs with India, Bhutan & Nepal to encourage and protect foreign investment.	**FDI Policies:** Assam follows the FDI policies and regulations set by the Government of India. The Department for Promotion of Industry and Internal Trade (DPIIT) oversees FDI policies at the national level. **State-Specific Investment Policies:** Assam has state-specific policies to attract investment in sectors like tourism, agriculture, and infrastructure.	**Foreign Investment:** Nepal has regulations governing foreign investment, and the Department of Industry oversees the approval process for foreign investment projects. **Bilateral Investment Treaties (BITs):** Nepal has entered into BITs with India, Bhutan & Bangladesh to promote and protect foreign investment.

B. REGIONAL INITIATIVES:

INITIATIVE	MEMBER COUNTRIES	DETAILS
BBIN	Bhutan, Bangladesh, India & Nepal	The BBIN initiative aims to enhance regional connectivity and economic cooperation, including trade facilitation and infrastructure development.
BIMSTEC	Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand	The countries are a part of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), which promotes regional economic integration and cooperation.
SAARC	Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka	SAARC is aimed at promoting economic and regional cooperation in South Asia.

Role of non-governmental organizations in promoting collaboration

Several non-governmental organizations have been playing key roles in promoting collaboration and strengthening trade and commerce in the region covering BBIN countries. Some of the prominent ones include:

- **Federation of Indian Chambers of Commerce and Industry (FICCI):** FICCI is one of the largest and oldest industry associations in India, representing the interests of Indian businesses across various sectors. FICCI can facilitate trade and investment promotion initiatives, organize business forums and seminars, and engage with stakeholders in BBIN countries to enhance economic cooperation and regional integration.
- **Bangladesh Foreign Trade Institute (BFTI):** BFTI is a leading research and training institution in Bangladesh dedicated to promoting foreign trade and investment. BFTI can conduct research, policy analysis, and capacity building programs to facilitate trade promotion, market access, and investment facilitation among BBIN countries.
- **Confederation of Nepalese Industries (CNI):** CNI is the apex body representing the private sector in Nepal, comprising industrialists, entrepreneurs, and business leaders. CNI advocates for policies and reforms to enhance competitiveness, promote exports, and attract foreign investment. CNI can collaborate with counterparts in BBIN countries to strengthen trade and economic cooperation in the region.
- **Bhutan Chamber of Commerce and Industry (BCCI):** BCCI is the premier business association in Bhutan, representing the interests of Bhutanese enterprises and industries. BCCI promotes trade and investment opportunities, facilitates business networking, and advocates for policies conducive to private sector development. BCCI can engage with counterparts in BBIN countries to foster economic cooperation and integration in the region.
- **South Asian Association for Regional Cooperation Chamber of Commerce and Industry (SAARC CCI):** SAARC CCI is a regional organization representing the private sector across SAARC member countries, including BBIN countries. SAARC CCI promotes intra-regional trade and investment, facilitates business partnerships, and advocates for policies to address trade barriers and enhance economic integration in South Asia.
- **BBIN Business Forum:** The BBIN Business Forum is a platform for business leaders, industry associations, and entrepreneurs from Bhutan, Bangladesh, India, and Nepal to engage in dialogue, exchange ideas, and explore collaboration opportunities. The forum organizes conferences, workshops, and business matchmaking events to promote trade and investment cooperation among BBIN countries.
- **South Asian Network for Development and Environmental Economics (SANDEE):** SANDEE is a research network promoting sustainable development and environmental economics in South Asia, including BBIN countries. SANDEE conducts research, capacity building, and policy advocacy to address environmental challenges and promote green growth, which can contribute to sustainable trade and commerce in the region.

CHALLENGES TO BE ADDRESSED

Infrastructure deficits and connectivity barriers

Infrastructure deficits and connectivity barriers pose significant challenges to economic development and regional integration in the BBIN region covering Assam and other NE states of India.

Road and Transport Networks: Although, initiatives to enhance road connectivity has increased, but poor road conditions due to geographical terrain and harsh climate, insufficient road networks, and lack of modern transportation facilities increase transportation costs and logistics inefficiencies, impacting trade flows and economic competitiveness.

CONNECTING REGIONS	LAND TRADE ROUTES
Assam (India)-Bangladesh	Goalpara-Mancachar-Begunbari-Dacca Karimganj-Sutarkandi-Sylhet Karimganj-Silua-Sylhet
Assam (India)-Bhutan	Gelephu-Hatisar Samdrup Jongkha-Darranga
Assam (India)-Nepal via West Bengal	Panitanki-Kakarbhitta
Bangladesh-Bhutan	Burimari-Joyunagar-Phuentsholing
Bangladesh-Nepal	Banglbandha-Panitanki- Kakarbhitta

Inadequate Border Infrastructure: Insufficient border infrastructure, including border checkpoints, customs facilities, and trade-related infrastructure, creates bottlenecks and delays in cross-border trade and transit.

Lack of Cross-Border Connectivity: Inadequate cross-border transport links and transit routes hamper regional trade integration and hinder the development of value chains and supply networks across borders.

Geographical and Terrain Challenges: Geographical and terrain challenges, including mountainous terrain, rugged landscapes, and riverine topography, complicate infrastructure development and connectivity initiatives in the region.

Security Concerns and Border Disputes: Security concerns, border tensions, and unresolved border disputes among neighbouring countries in the region can impede infrastructure development and connectivity initiatives.

Inadequate Digital Connectivity: Limited access to digital infrastructure, including internet connectivity, telecommunications networks, and digital services, hinders digital connectivity and e-commerce development in the region.

Regulatory hurdles

Complex Regulatory environment: Inconsistent regulations, divergent legal systems, and overlapping jurisdictional issues increase compliance costs and regulatory burdens for businesses, hindering cross-border trade and investment.

Trade barriers and tariffs: Non-tariff barriers, such as licensing requirements, import quotas, and technical standards, create obstacles to trade and commerce

Inefficient Trade Facilitation Measures: Limited use of technology, outdated infrastructure, and lack of coordination among customs authorities impede trade facilitation initiatives and hinder economic integration in the region.

Socio-cultural considerations and community engagement

Diverse Socio-Cultural Contexts: Assam, Bhutan, Bangladesh, and Nepal are diverse in terms of culture, language, religion, and customs. This diversity can lead to misunderstandings, conflicts, and barriers to cooperation in trade and economic activities.

Lack of Social Integration: Historical, linguistic, and cultural differences may hinder social integration and collaboration among communities in the Assam-Bhutan-Bangladesh-Nepal region. Lack of social cohesion can impede collective action and hinder the development of shared economic interests.

Community Marginalization: Certain communities, especially ethnic minorities and marginalized groups, may face discrimination, exclusion, and socio-economic disadvantages. Their marginalization can limit their participation in trade and economic activities and perpetuate inequality within the region.

Traditional Trade Practices: Traditional trade practices and informal economies may coexist with formal trade channels, leading to complexities and challenges in regulating and formalizing economic activities. Informal sectors may not comply with regulations and standards, affecting market access and consumer protection.

Environmental concerns

Climate Change Vulnerability: The region is susceptible to the adverse impacts of climate change, including extreme weather events, changing rainfall patterns, and rising sea levels.

Loss of Biodiversity: Loss of biodiversity undermines ecosystem resilience, disrupts ecological balance, and diminishes the potential for sustainable development and long-term prosperity.

POTENTIAL FOR DEVELOPMENT/UPGRADATION OF EXISTING UNIMODAL TRADE POINTS TO MULTIMODAL ICPS

EXISTING UNIMODAL ICP/TRADE POINT	ADVANTAGES	POTENTIAL FOR CONVERSION INTO MULTIMODAL ICP
Sutarkandi ICP	• 15 km from the town of Karimganj and mirrors Shewla in Bangladesh • Connected by NH37 (earlier NH151), which links it to Sylhet in Bangladesh and Karimganj in India • Close proximity (10 kms) to Mahishasan railway station (currently defunct) • Only 3 kms from Lakhipur • Close to Karimganj Steamer Ghat • Silchar airport located 100 km from Sutarkandi	• Rail link between Mahisasan station and Shahabajpur (Sylhet, Bangladesh) needs to be re established • Potential for waterway connectivity via the Kushiara River. • Current capacity of Parking space for only 80 trucks need to be increased. (Average of 460 trucks (incl 400 export trucks and 60 importing trucks pass through this ICP daily) • Transhipment machinery, cold storage, warehouses, FSSAI labs, plant and animal quarantiane, other testing laboratories (like for textiles) are not available currently and can be developed. • Poor internet connectivity contributes to lack of EDI- enabled facilities which should be prioritised for efficient border trade.
Dhubri Steamer Ghat (River Port)	• Connected to the NH 17, which starts at the intersection of NH 10 at Sevoke, Darjeeling and travels through the districts of Siliguri, Golakganj, and Dhubri and ends in Guwahati, Assam • Joins NH 27 at Guwahati, running from Gujarat to Silchar, Assam • Located on National Waterway 2 (on Brahmaputra) and runs along Routes 7 and 8 under the India-Bangladesh Protocol. • Through IBP route, it is also connected to Chilmari in Bangladesh and to Haldia (West Bengal) and to NW 1 • About 7 km from Gauripur Railway Station • Also connected to Jogighopa Multimodal Logistics Park (MMLP) (about 90 km through waterways). Jogighopa MMLP is connected to Kokrajhar in Assam and Pasakha in Bhutan through roadways. • 17 km from the Rupsi Airport • Export of boulders and stone chips from Bhutan to Bangladesh (About 5 ships of 250 MT move to Bangladesh daily)	• Linking roads to Dhubri Phulbari river bridge could be developed

CONNECTING THE BBIN SUB REGION - WHAT WILL IT TAKE?

CHALLENGES

STREAMLINE TRADE PROCESSES

Heavy documentation



Between Bangladesh and India

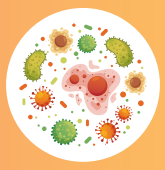
22 Documents
55 Signatures
required for trade

Cumbersome Customs Procedure



80-100% of goods physically inspected at border points

Poor Snaitary and Phytosanitary Standards



lack of accredited laboratories to certify export products often delay shipments by upto **4 weeks**

PROPOSED INTERVENTION



Simplifying processes and paperwork



Adapting risk management tools to reduce physical checks



Facilitating cross-border transit



Modernizing sanitary and phytosanitary measures

DIGITIZE & AUTOMATE

Manual and Paper-based Trade
Traders must often visit **10+ agencies** for Clearances







Developing electronic national single windows and trade portalsv



Automating border management System

BRIDGE INFRASTRUCTURE GAPS

Congested Borders and roads



70% freight carried on congested roads

30 km/h

Average speed of trucks are **30km/h** on regional corridors

130 hours

Average **130 hours** to cross petropole-benopole border



Inadequate use of railways and waterways

Long and Diversionary Transport Routes

1600km
Via Northeast India



450 Km
Via Bangladesh





- Modernizing infrastructure and integrated border points
- Developing and upgrading cross-border and international roads
- Increasing multimodal transpport networks including rails and waterways

DESIRED RESULTS

- Reduced transit time at priority border points and regional transportt corridors
- Reduced cost of regional trade and tansport
- Resilient trade and climate-resilient transport links
- Greater regional trade

ADVANTAGE ASSAM: ASSAM'S STRATEGIC LOCATION TO PROMOTE TRADE AND COMMERCE IN THE BHUTAN-BANGLADESH-INDIA & NEPAL REGION

GATEWAY TO NORTHEAST INDIA

The strategic position enables Assam to facilitate trade and connectivity not only between the north-eastern states, Bangladesh, Nepal, and Bhutan but also extend to the entire South East nations

Guwahati is the largest metro-politian city in the region.

AH1 & AH2 passes through Assam upto Bangladesh.

TRANSIT ROUTE TO BHUTAN AND BANGLADESH

Assam's proximity to Bhutan and Bangladesh and its connectivity to the north-eastern states make it an important transit route for goods and commodities entering or exiting Bhutan / Bangladesh and traveling to/from Northeast India.

Assam shares 530kms of international border with Bhutan and Bangladesh and is connected to Nepal through the Siliguri corridor of West Bengal.

ACCESS TO PORTS AND WATERWAYS

Assam's location along the Brahmaputra River and its proximity to major ports in Bangladesh, such as Chittagong and Mongla, offer access to maritime trade routes and international markets.

National Waterway no.2 runs through the entire state connecting Bangladesh.

Jogighopa and Pandu IWT port are less than 150kms from Bhutan.

TRADE HUB AND MARKET ACCESS

Assam's growing economy and consumer market offer opportunities for trade and investment, attracting businesses and investors from neighbouring countries seeking access to the north-eastern market.

Exports from Assam stood at US$ 415.62 million in FY21[7]

Assam State Presentation and Economic Growth Report | IBEF].
In FY21, the total tea exports from Assam accounted for US$ 281.42 million, which was 68% of the total exports.

INDUSTRIAL AND MANUFACTURING HUB

Assam's abundant natural resources, including tea, oil, and minerals, offer opportunities for industrial development and manufacturing activities.

Largest Tea producing region in the world

Industrial growth centres at Chariduar, Matia and Chaygaon-Patgaon.

India's 1st international MMLP is being set up in Jogighopa, Bongaigaon.

INFRASTRUCTURE DEVELOPMENT

Government of India's investment in infrastructure development, including roads, railways, airports, and ports, in Assam can enhance connectivity and trade facilitation in the BBIN region

Widening of existing National Highways and construction of new National Highways

Up-gradation of LGBI Airport in Guwahati

Establishment and functional of Air cargo terminal at LGBI Airport in Guwahati .

CULTURAL AND PEOPLE-TO-PEOPLE EXCHANGES

Assam's cultural heritage and historical ties with neighbouring countries create opportunities for cultural exchange and people-to-people interactions.

Festivals such as Bihu, Rongali Bihu, and Majuli Festival celebrate Assam's traditional music, dance, crafts, and cuisine, attracting participants and visitors from neighbouring countries.

[7]Assam State Presentation and Economic Growth Report | IBEF

CONCLUSION

The Bhutan- Bangladesh-Assam (India)-Nepal Economic Corridor presents significant opportunities for economic growth, regional integration, and shared prosperity among the involved countries. Through a comprehensive analysis of historical context, geopolitical factors, economic indicators, and sectoral dynamics, this handbook has shed light on the potential and prospects of the corridor.

The historical ties, cultural affinities, and geographical proximity between Bhutan, Bangladesh, Assam (India), and Nepal provide a strong foundation for collaboration in trade, investment, and infrastructure development. However, realizing the full potential of the corridor requires concerted efforts to address challenges and capitalize on opportunities.

KEY FINDINGS:

- The corridor's strategic location offers access to diverse markets, natural resources, and investment opportunities, positioning it as a gateway for regional trade and connectivity.
- Infrastructure development, including transportation networks, energy grids, and digital connectivity, is essential for enhancing connectivity and facilitating economic exchanges within the corridor.
- Trade in goods and services presents opportunities for growth in sectors such as agriculture, manufacturing, tourism, healthcare, and education, supported by favorable regulatory frameworks and policy reforms.
- Addressing tariff and non-tariff barriers, streamlining customs procedures, and improving regulatory transparency are critical for promoting trade facilitation and enhancing economic cooperation within the corridor.

Moving forward, stakeholders are encouraged to:

- Foster deeper economic engagement and collaboration through bilateral and multilateral initiatives, leveraging existing regional cooperation frameworks and platforms.
- Invest in infrastructure development projects that enhance connectivity, promote sustainable development, and create employment opportunities within the corridor.
- Strengthen institutional mechanisms for trade facilitation, regulatory harmonization, and dispute resolution to create a conducive environment for business and investment.
- Promote people-to-people exchanges, cultural diplomacy, and educational partnerships to build mutual understanding and foster socio-cultural ties among the peoples of Bhutan, Assam (India), and Bangladesh.

By embracing a shared vision of inclusive growth and regional cooperation, Bhutan, Bangladesh, Assam (India), and Nepal can harness the economic potential of the corridor and contribute to the broader objectives of sustainable development, peace, and prosperity in the region.

As we embark on this journey towards a more integrated and prosperous future, let us seize the opportunities before us and work together to realize the vision of the Bhutan- Bangladesh-Assam (India)-Nepal Economic Corridor.

ACT EAST
—THROUGH—
NORTH EAST 2.0

Inter Country Economic Corridor Through North East of India for Inclusive Growth:

Potential and Prospects