

Opening Ceremony
Bangladesh India Friendly Festival
&
Business Summit, 2016
Moulvibazar, Bangladesh
December 29, 2016
04:00 PM
Justice Surendra Kumar Sinha
Chief Justice of Bangladesh.

Mr. President of the Session;

Mr. Tofail Ahmed, Hon'ble Minister of Commerce;

Mr. Obaidul Quader, Hon'ble Minister of Road Transport and
Bridges;

Mr. Tapon Chakrabarty, Minister of Industry Commerce and
Education State of Tripura, India;

Mr. Sree Porimal Shuklaboidday, Hon'ble Minister of Road
Transport, State of Assam, India;

Mr. Sree Dilip Kumar Paul, Hon'ble Deputy Speaker, State of
Assam, India;

Hon'ble MPs of two neighboring countries;

His Excellency Indian Ambassador to Bangladesh;

Secretary and Chairman, IRD & NBR;

President, FBCCI;

President, MCCI;

Distinguished Guests from home and abroad;

Representatives of Print & Electronic Media;

Ladies and Gentlemen.

Namasker/Very Good Afternoon.

It is immense pleasure and privilege for me to be part of this great event being held in my home town. At the very outset, I express my deep gratitude to the organizers for inviting me to this important Bangladesh India Friendly Festival & Business Summit, 2016. Undoubtedly, I feel proud to be present in the congregation of the different segment of the people of two friendly countries. The organizers deserve special thanks and high appreciation for organizing the Festival & Business Summit, 2016. I hope that this endeavour will continue in near future. I also extend my special thanks and gratitude to our foreign guests for taking trouble to visit Bangladesh. In this month of victory and independence, I recall the great contribution of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and those who sacrificed their lives for the cause of our Independence with humble reverence. I also express my humble gratitude to the heroic armed forces of our neighboring country India who sacrificed their lives during our liberation war.

2. Sylhet came under British administration in 1765. Sylhet was strategically important for the British in their pursuit of conquering Northeast India and Upper Burma. The first commercial tea plantation in British India was opened in the Mulnicherra Estate in Sylhet in 1857. Sylhet was constituted as a municipality in 1867. Despite protests to the Governor of Bengal from its Bengali-majority population, the town was

made part of the Chief Commissioner's Province of Assam in 1874 in order to facilitate Assam's educational and commercial development. The Assam Bengal Railway was established in the late 19th century to connect Assam and Sylhet with the port city of Chittagong. In 1905, Sylhet became a divisional headquarter of Eastern Bengal and Assam. In 1912, it was again separated from Bengal and made part of Assam Province.

In 1947, following a referendum, almost all of erstwhile district of Sylhet became a part of East Bengal in the Dominion of Pakistan, barring its Karimganj sub-division which was incorporated into the Dominion of India. The referendum was held on 6 July 1947. 239,619 people voted to join East Bengal (with the effect of becoming East Pakistan) and 184,041 voted to be part of Assam (i.e. part of India). The referendum was acknowledged by Article 3 of the Indian Independence Act 1947.

3. The people of undivided India, after a very long arduous and tortuous political movement, got their independence from the British yoke in 1947 by the Indian Independence Act, 1947 and the dominions of India and Pakistan emerged. India got its Constitution in 1949 and became a Republic in 1950. The political history of Pakistan was not that happy. It got its first Constitution in 1956, only to be ditched unceremoniously in 1958. Another Constitution was made in 1962 but again Field Marshal Ayub Khan, in violation of the Constitution, handed

over the office of President to General Yahia Khan in 1969. A general election was held in 1970, the first as well as the last in the erstwhile Pakistan, but when the army President refused to convene the Constituent Assembly, and let lodge a genocide in the-then East Pakistan, independence of Bangladesh was proclaimed on the night following 25th March, 1971, and the people of Bangladesh were emancipated through a historic War of Liberation against the Pakistan army and its murderous local vassals. Finally the independence was achieved at a cost of three million martyrs on the 16th day of December, 1971.

4. The people of Bangladesh and India have a unfathomable bond of inseparable cultural ties. To snatch the crimson red sun of Independence in 1971 like many heroic freedom fighters, many Indian soldiers also laid down their lives. The friendship and bond between the two nations are preserved by that sacrifice. After the Independence, the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and the then prime minister of India Srimati Indira Gandhi took a number of important steps to further strengthen the friendship and cooperation between the two nations. India is the world's second most populous country, and Bangladesh is the world's eighth most populous nation. They are common members of SAARC, Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Commonwealth, and many other international organizations. The relationship between two

nations is strengthening day by day. For the greater interest especially to combat terrorism and sustainable development Bangladesh and India have to work together.

5. Never before in world history have the economics of different countries attempted to come together to commence the concept of the global village. The twilight of communism has compelled even a diehard like Castro to concede that democratic reform world eventually have to come to Cuba. Three-fourths of the 47 countries south of the Sahara are in various stages of a democratic surge. Liberalization is to the nineties what socialism was to the forties. Socialism is as out dated as the dinosaur. We now have insignificant ideologies; and our commanding height have been reduced to molehills.

Closer economic ties with Bangladesh are seen as a very important way of reducing the economic and political isolation of the seven Indian eastern and north eastern states for the rest of the country. Because of the location of seven small states Assam, Nagaland, Meghalaya, Manipur, Tripura, Arunachal Pradesh, Mizoram of India which had no good port and road connectivity with the rest of India; if easy movement of goods can be made through a bilateral FTA it can create the scope for resolving some of these critical issues while removing some vexing tariff and non-tariff barriers. And as a result the people

of these seven states of India and also Bangladesh will be highly benefitted.

6. You know despite trade barrier India and Bangladesh economic ties gain momentum in the recent years and accordingly, some notable strides have been made in the bilateral relationship between two countries. Land Boundary Agreement, Indians fund of US\$2 billion in low-cost loans for a number of social and development projects, Agreement in respect of energy and power sector, specially receiving 100 megawatts of power from the 726 megawatt thermal power plant at Palatana in Tripura, MoU on a US\$1.6 billion Power Project at Khulna.

Apart from the energy sector, Bangladesh and India have taken some important steps to enhance connectivity. Bus services linking India and Bangladesh have been established and multiple agreements signed to enhance trade by improving maritime cooperation. This includes a Memorandum of Understanding on the use of the Bangladeshi ports of Chittagong and Mongla, which would enable the movement of goods to and from India. Visit of high power delegates including Head of the State and Government is improving bilateral relation by leaps and bounds. Bangladesh Prime Minister's visit to Tripura has strengthened the relationship with border State of India. So, the role of Tripura in improving the relationship also reiterates the importance of state governments in India's foreign

policy, particularly regarding India's ties with its immediate neighbors. The crucial role played by Tripura in forging ties with Bangladesh could offer important lessons for other border states in improving ties with neighboring countries. Moreover, cultural activities are also expanding day by day between the two friendly countries.

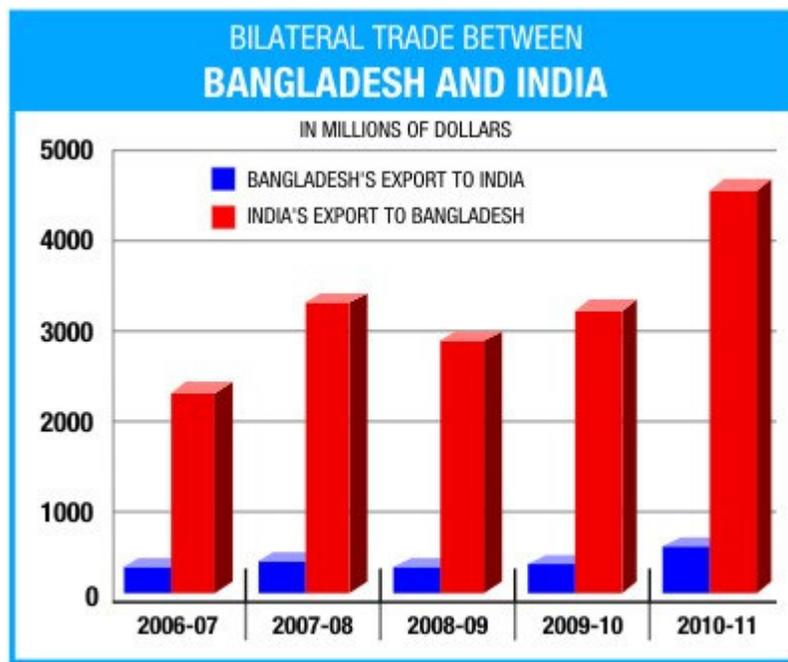
7. India and Bangladesh Legal cooperation is *sine a qua non* so far it relates to investment, both direct and indirect; infrastructure construction and operation, planning, design, supply, construction, operation and technical cooperation; construction of economic and industrial zone, scientific park, process zone, development zones and special economic zones; technology communication and transfer; personal exchange and training; and labour service cooperation etc. India and Bangladesh laws should be recast to facilitate those activities in order to improve the GDP of the two countries. Business community of two countries may help and facilitate their respective Governments to take necessary steps for doing away with the impediments of trade and commerce which are creating obstruction in smooth investment.

8. In this respect I may mention here that for becoming a middle-income country Bangladesh has under taken some possible efforts on maintaining macroeconomic stability; strengthening revenue mobilization; tackling energy and

infrastructure deficits; deepening financial-sector and external trade reforms; improving labor skills, economic governance, and urban management; and adapting to climate change. Bangladesh expects to become an export powerhouse, with its labor-intensive manufactured and service exports growing at double digits on a sustained basis.

9. There is no denying that Bangladesh-China-India-Myanmar (BCIM) Economic Corridor needs huge funds, both from private and public sectors, to support infrastructural constructions such as harbor, railways, highways and other areas like industrial park, free trade zone and many other projects related to BCIM economic co-operation. Accelerating the much-needed cross-border construction can help ease bottlenecks of regional infrastructure requirements which will effectively guarantee smooth, convenient and efficient cross-border logistics movement as well as improve human capital and prompt industrial development in BCIM region. With this in mind, the concept of establishing a specialized regional stock exchange came into the scenario to serve as investment and trading platform, establish a cross-border opening of India-Bangladesh investment cooperation in both public and private sectors, determine appropriate method for financing and selection of currency denominations for projects undertaken under BCIM and regional initiatives.

10. The trade deficit between India and Bangladesh more than doubled in just five years, reflecting a galloping economic imbalance between the two close neighbors.



Statistics show on average, Bangladesh imports from India more than 35% intermediate goods, a little over 30% final consumer goods, 15% basic raw materials and more than 10% capital goods of total imports. It is common knowledge that apart from inadequate border infrastructure on trade, tariff and non-tariff barriers impede the growth of trade from Bangladesh to India. Although India has granted Bangladesh duty-free access to all items except tobacco and liquor, there exists reportedly several types of local duties (counter vailing duty on the assessable value is 8%, special additional duty is 4%, secondary education cess is 2% and higher education cess is 1%). Altogether it comes to around 15% and this discourages exports from Bangladesh to India.

The gap, which was \$1,998.58 million in fiscal 2006-07, reached \$4,057 million in 2010-11, according to Bangladesh Bank and Export Promotion Bureau data. Analysts and businessmen blame the trade imbalance, which is heavily tilted to India, on Bangladesh's narrow export basket and India's non-tariff barriers (NTBs).

“Bangladesh needs to explore and exploit the opportunities in the growing import market of India. There is no option but to diversify the export basket of Bangladesh,” said Prof Mustafizur Rahman, executive director of Centre for Policy Dialogue (CPD).

The good thing is, along with traditional exports such as raw jute, fish and fertilizer; some non-traditional items have made their place in the export basket of Bangladesh.

Joint ventures at private sectors level for local, regional and global markets, trade complementariness can be developed by vertical specialisation through production sharing, and gradual integration of Bangladesh's economy with that of northeastern states of India. For improvement of Business cooperation, India-Bangladesh may sign an Investment Promotion and Protection Agreement and Double Taxation Avoidance Agreement.

At present our critical concerns on the Bangladesh side include the massive trade deficit with India and the large volumes of

informal imports from India across the land border which avoid Bangladesh import duties. For India, although trade with Bangladesh currently is small, the potential of Bangladesh as an emerging market on India's borders will evince great interest for the business and investor communities.

11. In the above backdrop, I am tempted to put some suggestions:

- ❖ A broad based India-Bangladesh Arbitration Centre may be established for facilitating and speedy disposal of the international trade & Maritime disputes.
- ❖ A comprehensive India-Bangladesh Training Institute may be set up in order to impart continuous quality training to the Judges, lawyers, businessmen and stakeholders who are closely related to international trade and commerce so that they may be well aware as to the legal system and latest jurisdiction of both the countries.
- ❖ Both India and Bangladesh should dedicate to building a closer comprehensive partnership of cooperation. They should attach high importance to high level visits and sharing experiences not only the trade and industry but also other areas for greater interest of two friendly nations.
- ❖ Easy movement of business men by removing visa restrictions
- ❖ Achieving trade balance by eliminating all barriers

12. I have already mentioned that the two nations were strong allies during Bangladesh Liberation War in 1971. Both the nations are committed to fight together against terrorism, work

together for securing rule of law, consolidating democracy, economic emancipation of mass people and cultural development of the region. In this respect, I am tempted to quote the view of the Brazilian novelist and columnist Paulo Coelho:

"Culture makes people understand each other better. And if they understand each other better in their soul, it is easier to overcome the economic and political barriers. But first they have to understand that their neighbor is, in the end, just like them, with the same problems, the same questions."

With these words, I do hereby inaugurate Bangladesh-India friendly Festival and Business summit, 2016 wishing its resounding success.

May God bless you all.

May Bangladesh India friendship live long.

Thanks for patience hearing.