

'Indo-Bangla trade routes via NE could see some disruption'

Abhishek Law
New Delhi

India is bracing for some impact and disruption on the Indo-Bangladesh Protocol (IBP) Routes, connecting the North-Eastern region of the sub-continent through Bangladesh's waterways, as it withdraws trans-shipment arrangements and other trade restrictions like the use of specific ports for garment shipments or blocking the flow of items into the North-Eastern region from the neighbouring country.

According to Sarbananda Sonowal, Union Minister for Ports, Shipping & Waterways, "Connectivity to the North-East through IBP will also be disrupted."

"With the withdrawal of the transshipment arrangement to Bangladesh, trade on the IBP routes connecting Kolkata to the North-Eastern region will be affected," he told *businessline* in an interview.

Cargo volumes via the IBP routes are down 20 per cent, sources said, while *MV Ganga Vilas* — the longest cruise in the world — is eyeing a truncated route, avoiding Bangladesh waters. In fact, bookings for the cruise are yet to begin, sources said.

TRADE RETALIATION

India formally ended the transshipment agreement with Bangladesh, effective April 8. The agreement allowed Bangladesh to export to third countries by transiting through Indian land customs stations.



Sarbananda Sonowal,
Union Minister for Ports,
Shipping & Waterways

It facilitated the movement of goods from Bangladesh to ports and airports in India for onward shipment to destinations in Europe, West Asia and beyond.

India cited logistical challenges, including congestion at Indian ports and airports, as the primary reason for revocation.

Later that month, Dhaka announced the closure of land ports to Indian yarn exports, disrupting supply chains to textile mills here, especially those producing dyed and value-added yarns.

Subsequently, India responded by cutting off land port access for Bangladesh's readymade garments.

The restrictions are significant. India has now limited Bangladeshi readymade garment shipments to just two ports, Kolkata and Nhava Sheva, effectively shutting out all 11 land customs

points in the North-East, including those in Tripura, Assam, Meghalaya and Mizoram, and West Bengal's Phulbari and Changrabandha. Other key Bangladeshi exports, including plastics, processed food, carbonated drinks, cotton and wooden furniture, will also face the ban.

The IBPR waterways facilitates the movement of goods and people between the two countries, primarily through shared river systems like the Ganga, Brahmaputra and Barak in India and Jamuna, Meghna and Gumti in Bangladesh.

IMPACT ON IBP

Sonowal said the main trade on the IBP route is the export of fly ash from power plants in West Bengal. Currently, nearly 4.47 million tonnes of fly ash are being evacuated from the power plants. The discontinuation of fly ash transportation from West Bengal to Bangladesh will adversely impact the operation of thermal power plants.

"Additionally, connectivity to the North-East through the IBP route will also be disrupted," he said.

As part of the IBP route, India also has access to Bangladesh's Mongla Port. It has a berth for inland vessels. Operations here are likely to be impacted too.

"Mongla port, which lies on the IBP route and has a separate berth for inland vessels, will also be affected by the disruption of trade between Kolkata and Mongla port via the IBP route," Sonowal said.