

Stakeholders Consultation on “Development of Matarbari Port and Bangladesh-India Connectivity”

Concept Note

1. Connectivity of India’s Northeast to the Bay of Bengal region is a key building block of realizing the vision of a prosperous and vibrant Indo Pacific region. Such connectivity open up new arteries for industrial development in the BBIN (Bangladesh, Bhutan, India, Nepal) region, enable inclusive economic growth and stability in Eastern South Asian region. Such a connectivity would be a concrete convergence of the Indo-Pacific Oceans Initiative (IPOI) and Japan’s Free and Open Indo-Pacific (FOIP) vision, progress in BIMSTEC regional connectivity and India’s “Act East” and “Neighborhood First” policies.
2. Japan is an active partner of India in realizing the true potential of establishing such connectivity. For example, the Japanese funded Matabari deep sea port in Bangladesh which is expected to be operational in 2027 and having the ability to host any kind of ship has the potential to become a regional hub for industrial value chain connecting North East through Tripura with Bangladesh and onward to the larger Bay of Bengal region. There are several connectivity projects also underway in the North eastern region itself.
3. To realize the true potential of these projects in the mid to long term horizon of ten years an assessment of the present state of affairs, challenges and opportunities is needed. It would not be enough just to build physical connectivity, but to go beyond to establish transboundary value chain which can enable bottom up, inclusive economic growth, which in turn can help to ensure sustainable economic growth and political stability in the region: vital components of realizing the vision of FOIP.
4. The stakeholder consultation will focus on the following issues:

- To assess economic opportunities of Matarbari Deep Sea Port for India's NER and Bangladesh with perspective of short, medium and long terms;
- To discuss the role of Indian NER states and the Government of India in unlocking the opportunities by ensuring enhanced connectivity, facilitation of cross-border customs procedures, trade agreement with Bangladesh post LDC graduation (lowering tariffs and non-tariff barriers), various incentive measures, and related infrastructure projects;
- To identify the industrial opportunities for its hinterland (Chittagong, Cox's Bazar, Dhaka and NER (especially Tripura));
- To design the existing and envisaged connectivity networks (rail, road, waterways, air) centering the Matarbari Deep Sea Port;
- To present a comprehensive development plan to strengthen the connectivity between NER and Matarbari Deep Sea Port based on both desk-based analysis and stakeholders consultations;
- To identify challenges to connectivity and design policy recommendations to mitigate such challenges;
- To make specific recommendations on (i) trade relations between India and Bangladesh; (ii) soft connectivity linkages including cross-border customs procedures between India's NER and Bangladesh; (iii) hard connectivity linkages between India's NER and Bangladesh; among others;
- To discuss the current and envisaged political and diplomatic relations among India, Bangladesh and Bay of Bengal countries to build and strengthen the connectivity between the NER and Matarbari Deep Sea Port;
- To identify the vision and action plan in order to enhance greater connectivity and industrial potential in Bangladesh, especially through creation of Matarbari Deep Sea Port;
- To identify the role of Japan to ensure NER to benefit from the development of Matarbari Deep Sea Port.