

# Resumption of Indo-Bangladesh Border Trade: A New Phase of Bi-Lateral Co-Operations

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## **ABSTRACT:**

*Indo–Bangladesh border trade was first initiated in 1972. But ironically it was suspended within six months. Such a suspension order caused great hardships to the rural people living either side of the border who were miserably victimised by the abrupt partition of India in 1947. Considering the urges of several state governments of the north-east India, the Govt. of India placed a new modified proposal of ‘Frontier Traffic’ at New Delhi trade discussion in May 1973 but failed. The attempts to trace the changes since the 1990s when SAPTA and later on SAFTA in compatible with WTO provisions for free-trade regime were introduced by the SAARC.*

**Key words:** Border Trade, Indo-Bangladesh relations, SAPTA, SAFTA

## **I. INTRODUCTION**

Border trade as a part of formal trade is generally designed with some special arrangements for the well-being of the local people living either side of an international border within a limited distance of both the countries. Such special arrangements are found fruitful for those bordering countries having shared legacy of historical, cultural and even ethnic affinity for a long time. Instances of its success in the recent times may be cited for such trade among the next-door neighbours like China, Myanmar, Thailand, Cambodia, Vietnam, Bangladesh etc.

In case of India and Bangladesh, the Border Trade has had some reverse experience. Though both the countries have the same colonial legacy of British rule in the past, the same historic, cultural, linguistic and ethnic identity, the people of the region accepted the division of their motherland in 1947 as Radcliff Award. The eastern part of the then undivided Bengal became East Pakistan by a single stroke of the pen of Mr. Radcliff. After world War-II, some other countries like Germany, Korea, Vietnam etc. were also divided due to skewed political compulsions of that time. But they did not discard their original names

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after division of their respective motherlands. But ironically it was only in India, an influential section of political elites discarded the very name of “India” from the partitioned portion; and termed the separated geographical area with a new imaginary name of “Pakistan” (meaning: Sacred Land---a poetical imagination of the famous Urdu poet Md. Iqbal whose earlier realisational composition was: “Sare Janha se Achha, Yeh Hindustan Hamara....”, i.e., India is the best in the world....). However, the division of India in 1947 was the outcome of a tripartite agreement entered into by the British Government, the Indian National Congress and the Indian Muslim League. But the ethnic, cultural, linguistic and specially the politico-economic contradictions within the Pakistani state structure had found its culmination in a liberation war in East Pakistan for a separate nationhood in 1971 (Ayoob 1975).. After a bloodshed struggle of nine months, Bangladesh won her freedom on 16 December, 1971 as an independent sovereign state following the surrender of Gen. A.K.K. Niazi to the “Joint Command of India and Bangladesh Forces” in Dhaka. In this war, 27,000 allied Indian army men and 30,00,000 Bangladeshi freedom fighters including civilians had to sacrifice their lives (Rezzak 1981). After the emergence of Bangladesh as the free and sovereign state, the question arises as to how long the reported tripartite agreement dividing India remains valid? The International Court of Law, perhaps, may be the appropriate authority to answer this basic question for India, Pakistan and Bangladesh.

Keeping aside the question pending with the world community as before, let us turn our attention to Indo-Bangladesh relations with special reference to Border Trade since its earlier inception in 1971. The youngest South Asian nation of Bangladesh has an age-old tie with India due to her historic position, geographic proximity and cultural heritage. So, the natural tie between the two next-door neighbouring countries finally entails in the first diplomatic recognition from India and in the conclusion of the “Treaty of Friendship, Co-operation and Peace between India and Bangladesh” on 19 March, 1972. The Treaty was signed by the former Indian Prime Minister Smt. Indira Gandhi and her counterpart in Bangladesh Sheikh Mujibur Rehman. It included 12 Articles and was signed for a term of 25 years with the provision of renewal by mutual agreement of the High Contracting Parties. In pursuance of the Article-5 of the Treaty<sup>1</sup>, the two governments concluded their first trade agreement on 28 March, 1972. It was a historic outcome of the situation prevailed in South Asia region at that time, since both the countries had struggled together for the realisation of some common ideals for their people through blood and sacrifice.

That trade agreement had envisaged a three-tier trade structure, viz., (i) Border Trade; (ii) Rupee Trade; and (iii) Trade in Hard (freely convertible) Currency.

## **II. BORDER TRADE IN RETROSPECT**

The provision of Border Trade was provided in Article-4 of the first trade agreement of India and Bangladesh (28 March, 1972 to 28 September 1973). According to the provision, people living within 16 kilometres on either side of the border may participate in mutual trade in the adjacent market places to dispose of their goods of daily-use and which are perishable in nature to meet their day-to-day requirements. This trade was free from export, import and exchange control restrictions as well as customs duty and customs formalities. Any person of the stipulated area holding a special permit issued by the respective competent authority, was allowed to cross the border only once a day in each direction on any two specified days of a week with specified items of commodities in specified quantities through such routes as was authorised on this behalf. The competent authorities in the two countries were empowered to relax the number of days to cross the border by the special permit-holders depending upon the market conditions in the locality. Persons having special permits were allowed to carry cash a maximum of Rs.100 in Bangladesh or Indian currency at the time of crossing the border. The competent authorities of either governments, however, had been empowered with the right to search the persons, if necessary, to exercise proper control over the abuse of such facilities.

For a smooth functioning of the system, the entire Indo-Bangladesh border-line of over 1,300 miles was divided into six specified sectors and lists of commodities with admissible quantities were presented in "Annexure to Schedule-B" meant for Border Trade. Such list contained a total of 55 specific items of commodities of India and 69 specific items of commodities of Bangladesh, mostly of primary products. Such a trade arrangement in the nature of barter transactions between the rural people living within 16 Kilometres of the frontier, was mainly designed with a welfare consideration to reduce the hardship of those people due to grossly inadequate supplies of commodities of daily-use; and thus was practically a resumption of the Border Trade more or less on the pattern that prevailed before Indo-Pak war in 1965<sup>2</sup>.

But such a well-designed Border Trade arrangement failed to achieve the desired objectives and was suspended within six months of

its resumption at the formal suggestion from Bangladesh government at a 4-day extended Dacca trade talks in October 1972. Suspension of Border Trade was no surprise if we follow the provisions of the Agreement.<sup>3</sup>

The agreement to suspend Border Trade, however, was essentially a political move to help the Bangladesh government<sup>8</sup>. The Bangladesh Mujib-Government was at that time under immense political pressure from the opposition parties in the face of first general election held on 7 March, 1973. The opposition parties in Bangladesh had raised an outcry of large-scale smuggling, causing havoc with the Bangladesh economy in the guise of 'Border Trade' (Adhikary, 1982).

As regards the question of smuggling, Rahim (1977) held that there was a board consensus of opinion among Bangladeshi Press, trade circles and government agencies of a large-scale organised smuggling of exportable items from Bangladesh to India. According to him, smuggling in Bangladesh was the effect of many complex factors, such as, (i) domestic monetary and credit expansion; (ii) inability of supply to respond in proportion to rise in demand, characterised by overall scarcity; (iii) the uncertain social climate which created fear in the minds of many and impelled them to save abroad; (iv) fear of further fall in the value of currency either through official devaluation or through persistent inflation; (v) the demand for invisible goods like travel and vacationing abroad; (vi) education of children abroad; (vii) non-conducting investment climate at home; and (viii) the low interest rate as against 12 to 14 percent interest payable abroad. Thus the measures as he suggested to stop smuggling were to device policies on an emergency footing to check inflation.

But the greatest irritating factor of smuggling between India and Bangladesh could not have been stopped despite serious measures that had been taken by both the countries. Smuggling was embittering the Bangladesh authorities although there was lack of realisation that the partition of India in 1947 based on geographical and political factors could not divide the two economies on a regional basis. The long Indo-Bangladesh border-line of over 1,300 miles required considerable vigilance on both sides to make sure that provisions relating to Border Trade agreement were strictly observed. This was not easy to enforce. As an extreme measure the Border Trade had been suspended to lessen the effectiveness of the propaganda made by some newspapers as well as politically opposition parties in Bangladesh stating Border Trade as a camouflage for large-scale smuggling to benefit India. Reedway and

Rahman (1976) wrote: “An economist visiting Bangladesh is likely to be rather puzzled by two things. First, the topic of smuggling of rice and jute from Bangladesh to India will be raised with astonishing frequency; and second, the estimates (or guesses) which are presented as to the scale of these operations vary enormously, from unimportant figures to well over a million of tons per year” They, however, ruled-out by a grass-root level empirical study on the problem the possibility of large-scale smuggling of rice and jute from Bangladesh to India<sup>15</sup>. It seemed to them that the quantitative importance of smuggling had been exaggerated, with an resultant detrimental effect on assessment of how well the country had been governed.

If we go through the following two tables showing seizure of ten leading items (out-going and in-coming) in anti-smuggling operations for 1972-73 and 1973-74 periods, as reported by the Bangladesh Rifles (a par-military force), we can have an idea about the extent of reality of the so-called large consensus in Bangladesh regarding siphoning of Bangladeshi wealth into India through large-scale smuggling.

**TABLE I**

**Seizure of Ten Leading Items (Out-going from Bangladesh to India) in anti smuggling operations.**

(Value in Thousand Takas)

Rank	Items	1972-73 (‘000Tk)	Rank	Items	1973-74 (‘000 TK)
1	Currency	1,044	1	Gold/Silver	481
2	Jute	401	2	Fish	349
3	Fish	287	3	Currency	206
4	Boat	261	4	Medicine	182
5	Gunny Bags	129	5	Eggs & Milk Powder	154
6	Cycle	115	6	Gunny Bags	126
7	Playing Cards	94	7	Rice/Paddy	114
8	Gold/Silver	54	8	Flour	106
9	Medicine	52	9	Skins	90
10	Chilly	46	10	Jute	84
	TOTAL:	2,483		TOTAL:	1,892

Note: Taka (Tk) = Legal tender of Bangladesh.

Source: Bangladesh Rifles (BDR).

**TABLE II**

**Seizure of Ten Leading Items (in-coming from India into Bangladesh) in anti-smuggling operations.**

(Value in Thousand Takas)

Rank	Items	1972-73 ( <sup>000</sup> Tk)	Rank	Items	1973-74 ( <sup>000</sup> Tk)
1	Bidi & Leaves	1,464	1	Bidi & leaves	2,483
2	Cloth	800	2	Cloth	1,823
3	Cattle	782	3	Betel nuts/Leaves	643
4	Betel nuts/leaves	700	4	Thread	530
5	Car/Truck	516	5	Car/Truck	506
6	Thread	392	6	Machinery/ Spares	415
7	Launch/Engine- Boats	260	7	Cattle	331
8	Machinery/Spares	128	8	Metals	107
9	Cotton	112	9	Scent	96
10	Soyabean oil	40	10	Tobacco	48
	TOTAL:	5,192		TOTAL:	6,982

Note: Taka (Tk) =Legal tender of Bangladesh.

Source: Bangladesh Rifles (BDR).

It is visualised from the above two tables that smuggling covered a variety of commodities; and the unsuccessful smuggled-in Indian goods into Bangladesh in 1972-73 were double in value of such goods out-gone from Bangladesh to India. The same were about four times in 1973-74. So, it is likely to guess that the disastrous smuggling had caused greater havoc with the Indian economy. Moreover, Jute---the main foreign-exchange earner, and rice/paddy, the main staple food of Bangladesh did not have the same high ranking in the list of ten leading items of smuggled-out goods of Bangladesh to India in two successive years of reference. Whereas, smuggled-in goods into Bangladesh from India were more or less concentrated on some specific items, such as, (a) bidi & leaves; (b) cloth; and (c) Car/truck which maintained their consistent fixed ranking in the same two successive years of 1972-73 and 1973-74. It indicates a very high demand prevailed in Bangladesh for those Indian goods. But it is, however, very difficult and even may be misleading to draw some definite inference regarding smuggling trade due to non-availability of data relating to such illegal transactions. The available data relating to seizure of goods in anti-smuggling operations are merely the tips of the ice-bergs over the deep water-level.

So, the decision to suspend Border Trade within six months of its inception as an extreme measure had by no means checked the smuggling to a desired level, rather has caused undue hardship to the poor rural people living within 16 kilometres either side of the border for whose economic well-being the scheme was originally designed. “Annexure to Schedule-B” of the agreement provided six sectors for Border Trade, viz; (i) Mizoram-Chittagong Hill Tracts; (ii) Khasi, Jaintia and Garo Hill-Sylhet and Mymensingh sector; (iii) Cachar-Sylhet sector; (iv) Tripura-Bangladesh sector; (v) Rangpur (Bangladesh) –Assam (bordering district), Coochbehar, Jalpaiguri (West Bengal) sector; and (vi) Rest of Bangladesh-Rest of West Bengal sector. Number of permissible items varied from sector to sector and in many cases the quantities specified for exchange of goods indicating somewhat in vague terms, such as, ‘headload’, ‘raftload’, ‘cartload’ etc., which may have facilitated smuggling and malpractices. Moreover, while the arrangements made by India for Border Trade were in order, Bangladesh could not manage to make such arrangements by that time in its side of the border. So, there was a scope for rectifying the loopholes of the Border Trade arrangement to restrict the possibility of smuggling. At the Dacca trade talk in October 1972, Indian side was reluctant to agree with the proposal of suspension. But finally they agreed to it on the advice of Bangladesh delegations to accept the suspension at least for a time being. In reality, this ‘time being’ suspension was an action for some long uncertain periods. But the remote village people living near the border-line used to continue crossing the border as and when they desire; and this could not had been prevented even by the Pakistani military during 1965 to 1971 periods.

At the New Delhi trade discussion in may 1973, India placed a new proposal for ‘Frontier Traffic’ as opposed to Border Trade. In this proposal an attempt was made to rectify the loopholes of the old Border Trade. Local authorities were assumed to empower the authority to issue licences to authorised persons to cross the border with goods on the dates fixed in advance to participate in local weekly markets called the “Haats”. The selection of the items of goods and their respective quantities were also assumed to be decided by the local authorities depending on the needs of the locality. Under the previous Border Trade scheme, people were allowed to cross the border at any time with goods in vague quantities like---headload, boatload, cartload etc., which gave some scope for smuggling activities across the border. But the new scheme presented by India was designed to resume local Border Trade

under strict supervision for economic well-being of the people which was the primary motto of both the governments<sup>4</sup>.

Different bordering state governments in India like Mizoram and Meghalaya, had made special plea at different times to the Govt. of India for re-opening Border Trade with Bangladesh<sup>5</sup>. Indian Institute of Foreign Trade (IIFT), New Delhi had prepared lists of local produces, through grass-root level surveys, of the north-eastern states of India which may successfully enter into Border Trade with Bangladesh mutually beneficial to both the countries. Moreover, India had strengthened her anti-smuggling measures along the border-line. Border outposts were increased and patrolling by the Border Security Force (BSF) on the Indian side was intensified. The Criminal Prosecution Code was invoked to restrict movement of vehicles and persons across the border in the nights. India even made it known her willingness officially to seal her border with Bangladesh to curb smuggling<sup>6</sup>. But her new proposal for Frontier Traffic as opposed to Border Trade did not get support from Bangladesh at that time.

### **III. FORMATION OF SAPTA AND SAFTA**

History may repeat itself; and this repetition may be in some higher form. This tenet also holds good in the most conflicting South Asia region. A crawling change in favour of mutual trust, cooperation and integrity could have been witnessed here particularly after the formation of SAARC (South Asian Association for Regional Cooperation) in 1985 at Dhaka. But since trade along with any contentious bilateral issues were excluded from deliberations, SAARC happened to be, in fact, an association neither exclusively and specifically for economic nor political cooperation (Vershney and Kumar 1989). India, however, had placed the proposal in the Second Summit at Bangalore (India) to include the areas of trade, energy, industry and finance within the purview of SAARC programme. This was accepted in principle (Jetly 1989). But economic cooperation particularly in respect of regional trade was not considered seriously in the subsequent summit meetings<sup>7</sup>. After ten years of practically aimless travel, the SAARC for the first time, had implemented on its 10th anniversary on 7 December 1995 a regional preferential system called SAPTA ((South Asian Preferential Trading Arrangements). It was then felt that a regional cooperation devoid of economic cooperation is a fragile form of regional cooperation; and to make it a successful regional cooperation, stage by stage, the SAARC Economic Cooperation Committee was formed and

the proposal of SAPTA was endorsed at the seventh Summit (Waqif 1994). It was expected that SAPTA would pave the way to economic integration for the low income, poor and developing South Asia. Increased intra-regional trade within the SAARC countries due to introduction of preferential trading arrangements and the like other process of economic integration, would promote collective self-sufficiency; and this may ultimately cure the chronic slow growth by which the LDCs of the South Asia region are suffering (Adhikary 2005). In fact, they pledged to transform the region into South Asia Free Trade Area (SAFTA) by 2001 at the 9th SAARC Summit held at Male(Maldives) on 14 May, 1997. But this could not have been realised in time. At last SAARC nations concluded the framework agreement to establish SAFTA w.e.f. 1 January, 2006 at its 12<sup>th</sup> Summit held at Islamabad on 6 January, 2004 (Sharma. 2004). This would likely to open a new horizon for intra-regional trade for SAARC countries including India and Bangladesh.

If the tripartite agreement between the colonial British Government, Indian National Congress and Muslim League dividing India into two separate nations, i.e., India and Pakistan, has been nullified by the emergence of free and sovereign Bangladesh in 1971, the people of the area are now in liberty to adopt any scheme of action for their mutual development and well-being without having any compulsion of the provisions of that tripartite agreement any more. So, the formation of SAARC and the introduction of SAFTA superseding SAPTA w.e.f. 1 January, 2006 are the concerted efforts toward a right direction. This would pave the way to South Asian Economic Union (SAEU) just like the successful regional grouping of European Union (EU), in near future, as committed in the 13<sup>th</sup> SAARC Summit held at Dhaka on 13 November, 2005<sup>8</sup>.

The scheme of SAFTA was designed to bring down tariffs to 20% in non-least developed SAARC countries (e.g., India, Pakistan and Sri Lanka) and 30% in least developed SAARC members (e.g., Bangladesh, Bhutan, Nepal and Maldives). The tariffs will further be brought-down to 0.5% in 2 non-LDCs (e.g., India and Pakistan) in the subsequent five years; Sri Lanka in six years and in 4LDCs, it will be in the subsequent eight years (Narayan, 2004). A SAFTA Ministerial Council and a Committee of Experts will look into the matters of:

- (i) Undertaking measures to accord national treatment to each other's products in addition to harmonisation of standards,

- reciprocal recognition of tests and accreditation of testing laboratories and certification of products;
- (ii) Simplification of business procedures including foreign exchange regulations, banking procedures for import financing;
  - (iii) Removal of intra-SAARC investment barriers and harmonisation of import licensing and registration procedures; and
  - (iv) To provide special and preferential treatments to the least developed members (LDCs) (Sharma 2004).

A 10-point Social Charter has also been adopted to promote the welfare of the people of South Asia and to accelerate their economic growth. These are all in conformity with the rapid change in the global perspectives in the recent years; particularly after the end of cold-war period following the break-down of Soviet regime in the early 1990s and the conclusion of the 8<sup>th</sup> Uruguay Round multi-lateral trade negotiations of the GATT resulting into the institutionalisation of World Trade Organisation (WTO) on 1 January, 1995 (Adhikary and Sadhukhan, 2005).

In fact, the SAFTA accord has been designed in compatible with the WTO provisions in all of its forms and contents<sup>35</sup>. And of late, India as the pivotal power in the region has announced on 11 November, 2011 at the 17<sup>th</sup> SAARC Summit held at Addu Atoll (Maldives) the reduction of the 'sensitive list' for least developed countries (Afghanistan, Bangladesh, Bhutan, Nepal & Maldives) under SAFTA from existing 480 tariff lines to 25 tariff lines. This was in a major trade liberalisation move, India assured to give zero basic customs duty access to all items removed from the list immediately.

#### **IV. FORMAL TRADE BETWEEN INDIA AND BANGLADESH--NEW OPPORTUNITIES**

India and Bangladesh have accorded Most Favoured Nation (MFN) treatments to each other in their bi-lateral trade relations. They opted to switch-over from bi-lateralism to free-trade from January 1975 (Adhikari 1996). India is, however, always in a comfortable position to meet almost all the import requirements of Bangladesh in terms of quantities, qualities, values and timings. This is due to her close geographic proximity having an improved and extended base of trade, commerce and industry. As a result, India has always a favourable trade

balance with Bangladesh. The picture remains unchanged also in the recent years as revealed in Table-3.

**TABLE III**

**Indo-Bangladesh Balance of Trade & Trade Reciprocity Indices: 2003-04 to 2009-10.**

Year	India's Exports to Bangladesh (million US dollars)	India's Imports from Bangladesh (million US dollars)	India's Balance of Trade with Bangladesh (million US dollars)	Indo-Bangladesh Trade Reciprocity Indices
2003-04	1741	78	(+)1663	0.1
2004-05	1631	59	(+)1572	0.1
2005-06	1632	119	(+)1513	0.1
2006-07	1628	229	(+)1399	0.2
2007-08	2917	257	(+)2660	0.2
2008-09	2498	313	(+)2185	0.2
2009-10	2434	255	(+)2179	0.2
Average:	2069	187	(+)1882	0.2

Note: (+)-sign indicates India's favourable balance of trade.

Source: Ministry of Finance (Govt. of India)-Economic Survey (various issues).

Website: <http://indiabudget.nic.in>

During the last seven years (2003-04 to 2009-10), both of India's exports and imports to and from Bangladesh have shown some erratic trends; and the imports have merely 9% share in her exports to Bangladesh on average. As a result, Indian's consistent favourable balance of trade with Bangladesh for the same reference period has recorded an average of 1882 million US dollars. This chronic event of high and staggering favourable balances with Bangladesh (i.e. Bangladesh's unfavourable balance of trade with India) is also confirmed by the very low trade reciprocity indices of their trade (value being 0.1 to 0.2 points) over the years indicated. The highest degree of trade

reciprocity index ( $\theta$ ) at 1, however, implies a state of balanced trade between the trade partners involved in foreign trade<sup>38</sup>. So, Indo-Bangladesh bi-lateral formal trade is still now taking place at the miserable low-level than to the level of a balance trade position as before. It gives a clear dictum to avail all possible way-outs at least to increase imports from Bangladesh and to give relief to Bangladesh from her chronic unfavourable balance of trade problems with India. Thus the resumption of a well-designed Border Trade arrangement may be one of the good devises, in the milieu of changing global and regional environments, to help solve the problem to a considerable extent.

The free trade regime under WTO and SAFTA agreements have opened some new and fresh opportunities for augmenting trade flows between India and Bangladesh compatible with their development strategies in the recent years. Moreover, the 9<sup>th</sup> SAARC Summit at Male on 14 May, 1997 has endorsed the proposal of “Growth Quadrangle” for the sub-regional India, Bangladesh, Nepal and Bhutan in some specific projects (Wadhva 1986). With intra-regional as well as other Foreign Direct Investments (FDIs) in such selected projects, all these sub-regional countries may accelerate their economic prosperity in future. In this context, the importance of resumption of Border Trade not only between India and Bangladesh but also between India and other sub-regional countries and even between India and China has been strongly felt. In Beijing, India and China has signed a joint declaration and also a Memorandum of Understanding (MOU) on 23 June, 2003 for resumption of Indo-China Border Trade through the historic silk route of Nathula Pass in east Sikkim. Similar trade agreement has been signed by India and Myanmar on 15 July, 2003 (Purkayastha, 2004).

In this backdrop, India and Bangladesh felt it necessary to resume the Border Trade when the Bangladesh Premier Sheikh Hasina Wazed paid her visit to India in January 2010. And to this effect a MOU was signed on 23 October in the same year

Pursuant to that understanding, the Indian commerce and industry minister and his Bangladesh counterpart inaugurated a Border Haat (rural market place) on 23 July, 2011 at the zero-point of the border of Kalaichar, West Garo Hills district in Meghalaya (India) and Balamari, Kurigram (Bangladesh). For the first instance of the fresh start, it is estimated that an annual transaction of 20million dollars of local goods will take place in the Haat. 47 different kinds of products of both the countries will be transacted between 9.30 a.m. to 3.00 p.m. on every Wednesday. Local produces like vegetables, food items, fruits,

spices, minor local forest products like bamboo, bamboo grass, and even some cottage items like lungi, plough, axe, spade, chisel and garments are to be disposed here; and they will be exempted from custom duties. Exchanges may be in local currencies or on barter

## V. CONCLUSION

It took about 39 years to resume Indo-Bangladesh Border Trade after its suspension in October 1972. A second Border Haat in spite of Kalaichar-Baliamari Haat, has been proposed to open at Balat (in East Khansi Hill)-Laughar (in Sunamganj) border in near future. In this way such other Border Haats to facilitate Indo-Bangladesh Border Trade will be opened by stages. The success of all these endeavors for economic prosperity and well-being of the rural people living either side of Indo-Bangladesh border, however, will depend on the strong political will of both the governments to put-out.

### End Notes:

1. Article-5 of the “*Treaty of Friendship, Cooperation and Peace between India and Bangladesh* (March 9, 1972)” reads as: “The High Contracting Parties shall continue to strengthen in the economic, scientific and technical fields. The two countries shall develop mutual cooperation in the field of trade, transport, communication between them on the basis of the principles of equality, mutual benefit and the Most-Favoured-Nation principle”.
2. Information accessed from *India-Bangladesh Trade: New Rupee Area. Commerce*, vol 214, No. 3179, p.867, April, 8 1972, Bombay.
3. Schedule-B to the Agreement states: “These arrangements shall be subject to review after a period of six months to consider whether they should be extended or amended in any way. If, even before the expiry of this period of six months, either country feels the need to withdraw or modify the facilities under this agreement, it would enter into immediate consultations with the other country, taking such measures as it may, consider necessary.” Excerpts from the article ‘Indo-Bangladesh Border Trade may not stay suspended for long.’ *The Times of India*, October 11, 1972, Delhi.
4. Excerpts from the article ‘Delhi-Dacca Trade Accord may be renewed’ *The Times of India*, May 11, 1973
5. Excerpts from the article ‘Improving Indo-Bangladesh Trade’. *Commerce*, vol. 129, No. 3308, October 5, 1975 p. 589, Bombay.
6. . Excerpts from the article ‘Smuggling : Bangladesh Border to be sealed?’, *Commerce*, vol. 125, No. 3201, September 9, 1972, p.633, Bombay.

7. Excerpts from the article Communique of Fourth SAARC Summit. *The Times of India*, January 1, 1989

8. Excerpts from *The Statesman*, November 14, 2005, Siliguri.

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