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Policy Brief on

# Connectivity in the Bay of Bengal Area: Challenges and Options for Bangladesh

*This policy brief is an outcome of a Lecture Program by Professor TANAKA Akihiko on the “Connectivity in the Bay of Bengal Area: Challenges and Options for Bangladesh”, that was organized by South Asian Institute of Policy and Governance (SIPG) & the Embassy of Japan in Bangladesh on 28 August, 2021.*

A stylized map of the Bay of Bengal region, showing the Indian subcontinent, Southeast Asia, and the Bay of Bengal. The map is rendered in shades of green and blue. Labels 'Bay of Bengal' and 'Indian Ocean' are present.

Bay of Bengal

Indian Ocean



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Bay of Bengal

Indian Ocean



# Background

The Bay of Bengal (BoB) has re-emerged as an important geopolitical and geo-economic entity with the potential to extend connectivity to the west (India, Nepal, and Bhutan) as well as to the East (ASEAN countries). This brings the regional powers into a scenario of power-play to safeguard their political, economic, and strategic interests. Extra-regional powers like the United States, Japan, and Australia are also increasingly involved in this region to protect their geostrategic and economic interests. As a result, the re-emergence of the BoB in regional and international strategic calculation has enormous geopolitical ramifications as the geostrategic shifts in this region are releasing its vast economic potential. As a small developing country with limited resources and heavy dependence on the sea for livelihood, trade, and commerce, Bangladesh needs to be cautious in using all feasible leverages to stand firm in the competing circumstances and preserve its national interests as well other regional countries.



Indian Ocean

# Challenges

- There is a lack of awareness among the people of Bangladesh about its marine resources, and the country is yet to fully explore and use the potential of the blue economy in terms of trade, extraction of mineral resources, and fishing in the Bay of Bengal.
- The uses of the sea and coastal resources of Bangladesh are still at the conventional levels. Bangladesh lacks domestic resources in terms of knowledge, expertise, technology, and financial capacities to ensure the most effective and efficient utilization of its resources in the oceanic and coastal regions.
- Port activities, deep-sea fishing, salt production, shipbreaking, and shipbuilding are dominated by poor technology and infrastructures in Bangladesh, thus unable to realize their full potential.
- Bangladesh also lacks a proper framework and effective policies for the best utilization of maritime resources.
- There is a lack of bilateral or multilateral cooperation in the Bay of Bengal region that can promote open trade among the countries in this region
- Western and Asian power rivalry in the Indo-Pacific region has created a strategically difficult situation for the countries in South Asia and Southeast Asia. It may constrict the entire region's economic prospects and turn it into another theatre of conflict.

Bay of Bengal

Indian Ocean



# Recommendations

- The government of Bangladesh must devise strategies for optimal and sustainable utilization of sea and coastal resources of the country through prudent bilateral and multilateral discussions to protect its national interests.
- Explore and specify potential areas of cooperation between Bangladesh and other nations in strengthening regional connectivity and establishing deep seaports that will remain accessible to all.
- In terms of monetary worth, the Blue Economy of Bangladesh could be at least half the size of its garment export. Therefore, Bangladesh needs to prepare a set of policies and actions for optimal use of deep-sea mining and marine minerals, including their export potential.
- Logistical arrangements must be increased and improved for port-led development and trade in the Bay of Bengal region
- Bangladesh should strengthen its manufacturing base for trade competitiveness and improve maritime connectivity beyond India to lower its shipping cost and sustainable graduation to middle-income countries. Bangladesh should negotiate with RCEP to strengthen trade ties with its member countries.
- Accelerate industrial agglomeration in Dhaka-Matarbari Belt and beyond to shape a value chain hub (supplying reliable energy, promoting domestic and foreign FDI, enhancing sustainable socioeconomic development etc.) for South Asia and Southeast Asia.

# Recommendations

- Bangladesh must devote resources to assess the prospects of eco-tourism in the coastal zones and develop a strategy for sustainable eco-tourism in this region.
- 'Preservation of Peace' in the Indo-Pacific region must be a prerequisite for steady inter-state trading activities and consistent economic growth.
- A rule-based maritime order in the Bay of Bengal and Indo-Pacific region is needed for a peaceful and prosperous future of the nations.
- Apart from rivalry, a rule-based maritime order needs to be pursued in the BoB region to stop drug and arms smuggling, human trafficking, piracy, pollution, and dumping of dead fish in the sea.
- Non-confrontational status in the Indo-Pacific region is now considered the heart of geopolitics and global economic activities. The relevant nations (including Bangladesh) need to focus on wise multilateral diplomacy to ensure a non-confrontational status in the Bay of Bengal and Indo-Pacific region.
- Bangladesh, now being an active player in the Bay of Bengal connectivity, needs to continue to maintain a non-aligned foreign policy and promote multilateralism in the Bay of Bengal.
- Due to the economic resurgence of the Indo-Pacific region, the importance of the realization of a Free and Open Indo-Pacific (FOIP) is immense. Hence, Bangladesh needs to focus on the Bay of Bengal as it has the potential to be a connectivity hub in the region through infrastructure projects.

# Recommendations

- As the largest development partner and a trusted friend, Japan can help Bangladesh in unleashing its enormous economic potential from the Bay of Bengal in exploiting the deep-sea resources, Portland development, enhanced trade, and more connectivity in the region.

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