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SUBREGIONAL ECONOMIC COOPERATION (SASEC) 2025 – SECOND
REGIONAL CONSULTATION WORKSHOP**

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Following is the text of the Inaugural Address made by Shri Shaktikanta Das, Secretary, Department of Economic Affairs (DEA), Ministry of Finance at the South Asia Sub-regional Economic Cooperation (SASEC) 2025 – Second Regional Consultation Workshop here today.

“Distinguished Heads and members of delegations from the SASEC countries; Mr. Hun Kim, Director General, South Asia Department; my colleagues from different Ministries of the Government of India, ladies and gentlemen.

It gives me pleasure to be with you in this Second Regional Consultation Workshop on SASEC 2025. Today’s Workshop will discuss a long-term vision and a ten-year roadmap that will help our sub-region attain new heights of growth, development and prosperity. Let me compliment ADB for facilitating this event and preparing inputs to guide in our deliberations.

In the last week, we met in Frankfurt for the annual meeting of the ADB where all of us acknowledged that Asia will be the biggest driver of growth in coming years. It will definitely attract bigger investment.

SASEC’s success as a regional cooperation program can be attributed in large part to its strategy of pursuing hardware and software initiatives in tandem. Cross border infrastructure projects are complemented with the necessary simplification and harmonization of procedures at the borders and improvements in testing and measurement facilities. To support trade facilitation, we build capacity to apply the latest technological interventions, and comply with international standards and best practices. We do this through periodic training of our human resources.

India has always engaged with its neighbours in addressing common challenges --- economic vulnerability, social deprivation, environmental degradation. We have also engaged with them in the pursuit of common goals --- sustainable growth, inclusiveness, prosperity. We have always believed that mutual support of each other’s endeavours can add impetus to individual country initiatives. In SASEC, we have long held the principle that regional cooperation complements domestic undertakings. National and regional initiatives are very much interrelated. Over the past 15 years, through ADB, we have seen the interrelatedness by uncovering the regional spillovers of national initiatives, and realizing the benefits of positive externalities by financing cross-border projects and national projects with regional dimensions.

The SASEC initiative supported by ADB assists the six participating countries in the sub-region to address many issues that impede growth and development. By providing a platform for dialogue and cooperation, SASEC helps participating countries to develop a better understanding of each other's strengths and weaknesses. Over the last two decades, SASEC has helped craft solutions to cross-border issues. I thank ADB for making SASEC a project-driven initiative that looks beyond the bilateral bottlenecks.

Recently, SASEC has also established specialised forums on customs and electricity transmission to provide more focused technical support to national and bilateral efforts in these areas. The Bangladesh Bhutan India Nepal (BBIN) Motor Vehicles Agreement (MVA) is a shining example of cross-border cooperation among four countries to ease movement of vehicles and goods transiting through third countries. India is also involved in the negotiation of the India-Myanmar-Thailand (IMT) MVA which will boost South Asia's connectivity eastward. .

With ADB support, India is presently developing two priority road corridors. The first road corridor will connect India with Bangladesh, Nepal and Bhutan through the "chicken neck" area of North Bengal. The second road corridor will establish India-Myanmar connectivity in the state of Manipur. Other projects are being simultaneously pursued to complement these two road corridors. Integrated Check Posts (ICPs) at Agartala and Petrapole on the India-Bangladesh border will be operationalized. Another ICP at Moreh on the India-Myanmar border will be developed. We are also planning to establish ICPs and improved Land Customs Stations (LCS) at key border points with Bangladesh, Nepal and Bhutan to ease the movement of goods and people within the subregion. India is planning to develop regional connectivity projects worth almost \$5 billion in SASEC.

India is also developing the East Coast Economic Corridor (ECEC), with ADB as our lead partner. Phase1 of the ECEC will be implemented as the Vizag Chennai Industrial Corridor (VCIC) project. The ECEC covers some of the existing growth centres, but it also has the potential to develop other centres that can be linked through efficient multi-modal transport systems and infrastructure services. Growth in the corridor would be distributed spatially within the region and have significant implications in connecting to global production networks and value chains in ASEAN, in line with our Government's 'Act East' policy. The goal of the ECEC is not only to generate domestic output and employment, but more importantly, to create a more competitive environment for the development of trade and industry in the region.

The ECEC will facilitate the movement of the bulk of India's major natural resources like coal and iron ore and can serve as a node for extractive and downstream value-added industries. Creation of world-class infrastructure supported by transport corridors, logistics services, development of human capital and skills, communications, energy grids and institutional policies that support trade both within the region and outside will be a significant addition to the stock of public capital and lift major constraints to growth nationally and regionally.

I am happy to note that SASEC programme has accorded priority to trade facilitation. It is imperative to recognize the challenges and opportunities of this region and to realise its potential. It is a fact that South Asia is among the least integrated

region in the world. Problems in trade facilitation, non-tariff barriers (NTBs) and infrastructure deficit hindered intra-regional trade in South Asia. In the World Bank's 'ease of doing business' ranking SASEC countries generally occupies lower positions in trade facilitation. Four SASEC countries have long coastline that could be developed to its full potential to integrate this sub-region with global production centres.

Recently, India launched a major port-led development initiative called "Sagarmala", which will help modernize India's Ports and coastlines to contribute more in India's growth. About 90% of India's trade by volume and 70% by value are moved through ports. The major ports thus play a key role in facilitating external trade. The focus has been on improving the port infrastructure, modernization of existing facilities and increasing the capacity and draught at ports. The Government of India has been promoting capacity enhancement of major ports through PPP projects for the construction of berths/terminals/jetties and mechanization of berths for cargo handling. Apart from the modernization of the existing ports in the east coast, India is developing two new ports on the same coast line at Dugarajapatnam in Andhra Pradesh and at Sagar Island in West Bengal. These ports will further enhance our trade with our neighbours and ASEAN countries.

India has also been assisting its neighbours in the sub-continent to improve their power situation. The India-Bangladesh transmission line is providing safe and reliable interconnection of the power grids to supply of 500 MW of power from India to Bangladesh. A 1320 MW Maitri Thermal Power Project, a joint venture of India's NTPC Ltd and the Bangladesh Power Development Board, will be developed. The Power Grid Corporation of India is also engaged in developing three 230 kv transmission lines in Myanmar with the support of a credit line of US \$ 64 million between the Exim Bank of India and the Myanmar Foreign Trade Bank. India is also investing to develop hydroelectric projects in Nepal and Bhutan. India is currently engaged in discussions for a mega gas pipeline project linking Turkmenistan, Afghanistan and Pakistan with India. Under this project, a 1,680 km long pipeline would be constructed. At the request of the four participating countries, ADB has agreed to house the secretariat of this project.

Ladies and gentlemen.

India is committed to continue its close relations with countries of South Asia and South East Asia. We are presently engaged in a number of regional initiatives that includes SAARC, BIMSTEC, the Mekong-Ganga initiative, India-ASEAN Partnership, and the East Asia Summit, among others. These initiatives provide a much wider space to pursue the many possibilities that an expansive and vibrant Asian landscape has to offer. Asia's dynamism is an excellent opportunity for all of us, to further intensify our drive towards the common goal of sustainable and inclusive growth. It is in this context that we welcome ADB's proposal to develop a SASEC Vision document and a comprehensive long-term operational plan to guide our efforts more deliberately and resolutely into the future.

In conclusion, let me once again compliment the ADB for organizing this workshop. I hope that country delegations will contribute their ideas to help shape a well-rounded vision document and operational plan. The need of the hour is to

acknowledge our strengths and weaknesses and, through cooperation, develop synergies through mutual support. The ADB is in a unique position to take a neutral view and to play a very good role as facilitator, advisor and catalyst in the SASEC region.

I wish the workshop all success and look forward to fruitful deliberations on SASEC 2025. Thank you.”
