

Eyeing turnaround in diplomacy

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they can move ahead while not skirting the contentious issues that have affected the bilateral ties, officials said.

The question being asked is: Can Bangladesh and India make a break from the labyrinth of mistrust and suspicion and bring about a positive change in bilateral ties for mutual benefit?

The contours of India's neighbourhood economic diplomacy were outlined by Dr Manmohan Singh himself in October last year ahead of the Dhaka Saarc Summit when he told a high-powered Trade and Economic Relations Committee that since New Delhi had trade surplus with neighbouring countries, it must address their concerns and increase imports from them as well as have a more open economy. In addition, China's increasing comprehensive periphery policy in South Asia has significant effect on the recent Indian neighbourhood diplomacy, analysts note.

The crux of Singh's message was that 'our neighbours should acquire a greater stake in India's economic growth by benefitting from it', officials said.

The committee has already given the go-ahead to converting all specific duties on textiles from Bangladesh to ad valorem equivalents. The Indian government also decided to address the issue of specific duties on certain jute items from Bangladesh apart from non-tariff barriers.

Singh also asked the finance ministry to take a liberal view on the issue of tariff compensation to Least

Developed Countries (LDCs) in South Asia within Safta ambit besides reducing the number of items on sensitive list of India so that more goods from those countries get access to Indian market.

As Bangladesh Foreign Secretary Hemayetuddin pointed out ahead of Khaleda's visit that reducing tariff barriers to Bangladeshi products into India would be a key confidence building measure, there is great optimism here that New Delhi would come out with a set of unilateral concessions without demanding reciprocal actions from Dhaka.

The issue of concessions, however, was subsumed under a broad discussion of a bilateral Free Trade Agreement (FTA).

A large section of the political class in India is in favour of unilateral concessions to Bangladeshi goods in order to strengthen New Delhi's demand for transit passage through Bangladesh.

Allowing greater market access to goods from Bangladesh ultimately goes in favour of India, as an economically more prosperous Bangladesh would be a bigger market for India while Dhaka stands to gain by giving transit between Indian mainland and remote northeastern states through Phulbari corridor, analysts pointed out.

While Dhaka's consistent denial of the presence of terrorists and Indian insurgents on its soil has not helped, Bangladesh has made it clear at the same time it is not a "banana country" or another Afghanistan.

On the other hand, Bangladesh is a country where democracy is taking roots after long years of military rule and

the country has pressed ahead with economic reforms in certain areas before India. Bangladesh also provides a sizable market for India's exports and has a huge effect on security and development of northeastern Indian states, analysts said.

One of the positive atmospherics during Khaleda's visit has been the arrest of Jama'atul Mujahideen Bangladesh (JMB) chief Shaekh Abdur Rahman and JMB second-in-command Bangla Bhal, analysts said.

Indian officials expressed hope that the momentum provided by Khaleda's visit would be sustained and what is required is more frequent political level engagement between the two countries.

While analysts point out that although it was the first visit by Khaleda to India in her four and half year rule in the second tenure as prime minister, she has taken a "bold" decision to visit New Delhi when general elections in Bangladesh are just nine months away, given the domestic political dimension to Dhaka's ties with New Delhi.

Analysts say that India-Bangladesh relations should be de-linked from the domestic politics in Bangladesh and India must underline that it is willing to do business with any government in Dhaka. The time has come for the two countries to do some "out-of-the-box" thinking.