

# TOPIC OF THE WEEK

OCT'18 (04 to 10)

## **International Trade Corridor**

The Asian Development Bank (ADB) and the Government of India on 1st October signed a \$150 Million Loan to finance continued improvements to road connectivity and efficiency of the International Trade Corridor in West Bengal and North-Eastern Region of India.

### **Background:**

Manipur being a landlocked state with almost 90% of the area under difficult terrain presently has only road transport as a means of mass transport system within the state. Hence development of the road infrastructure is of paramount importance to improve connectivity and progress of the State and to ensure that the administrative set up reaches the isolated and remote habitats.

### **About SASEC:**

The SASEC programme of ADB was formed in 2001 in response to the request of Bangladesh, Bhutan, India and Nepal to assist in facilitating economic cooperation

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among them. Sri Lanka and Maldives joined the sub-regional group in 2014.

As a project-based partnership, SASEC programme has been helping enhance cross-border connectivity, facilitate faster and more efficient trade and promote cross-border power trade.

The Manila, Philippines-based Asian Development Bank (ADB) serves as the Secretariat for the SASEC member countries.

### **Highlights:**

- South Asia Sub-regional Economic Cooperation Road Connectivity Investment Program, approved in 2014, aims to expand about 500 kilometers of roads in India's North Bengal and North-Eastern Region that will enable efficient and safe transport within India and regionally with other SASEC member countries.
  
- The signatories to the tranche 2 loan agreement for the \$500 million South Asia Subregional Economic Cooperation (SASEC) Road Connectivity Investment Program were Mr. Sameer Kumar Khare, Additional

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Secretary (Fund Bank and ADB), Department of Economic Affairs in the Ministry of Finance, who signed on behalf of the Government of India; and ADB Country Director for India Mr. Kenichi Yokoyama, who signed for ADB.

- The Project Agreement for the State of Manipur was signed by Mr. Sheikh Abdul Hakim, Under Secretary (Works) and for the National Highways and Infrastructure Development Corporation Limited was signed by Mr. W. Blah, Executive Director (Works).

### **Significance:**

- The Project will upgrade about 65 kilometers of Imphal-Moreh Section of National Highway in Manipur.
- There will be construction of about 1.5 km of an international bridge between India and Nepal, and completion of about 103 km of a State Highway in Manipur between Imphal and Tamenglong under Project-I.

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- The Project will reduce transaction costs along the targeted cross-border corridors substantially, creating economies of scale and commercial prosperity.

**Conclusion:**

ADB is committed to achieving a prosperous, resilient, inclusive, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. In 2017, ADB operations totaled \$32.2 billion, including \$11.9 billion in cofinancing.

The program is an important initiative in regional connectivity aimed at increasing domestic and regional trade through North Bengal-Northeastern Region international trade corridor by upgrading key roads. It will give a boost to India's efforts to promote regional connectivity in the South Asia.

**Suggested Reading:**

- ✓ [https://www.business-standard.com/article/news-cm/adb-india-sign-150-million-loan-to-improve-regional-connectivity-118100300515\\_1.html](https://www.business-standard.com/article/news-cm/adb-india-sign-150-million-loan-to-improve-regional-connectivity-118100300515_1.html)



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- ✓ <http://pib.nic.in/newsite/PrintRelease.aspx?relid=183878>
- ✓ <https://timesofindia.indiatimes.com/business/india-business/adb-inks-usd-150-mn-loan-pact-with-govt-for-road-infra-in-bengal-north-east/articleshow/66033399.cms>