

18/11/21 GIS-II -IR.

Regional connectivity in Bay of Bengal nations will help India to handle Chinese geo-political influence. Do you agree with this view? Explain (200 words)

The Bay of Bengal (BOB) region is gaining economic and strategic importance. Despite its importance to regional security & prosperity, there is inadequate financial, physical & energy connectivity. India should help these nations in building regional connectivity to handle China's influence which has made its significant presence in the BOB & its resident nations with connectivity projects & infrastructure finance.

China's connectivity projects in BOB:

Chinese projects connect to one another, from rail to road to the port. Ex: Proposed 2800 km railway line connecting Kunming to Kolkata via Myanmar & Bangladesh.

China's maritime infrastructure investments:

Sri Lanka's Hambantota

Kyaukpada in Myanmar

Kra Canal in Thailand.

Though India has successful cross-border road and rail infrastructure projects with Nepal, Bangladesh and Myanmar, its influence is diminished. Unlike China which is investing through state-owned

enterprises, India is capital-deficient & is relying on third partners to invest in large projects.

India should shift its focus from subcontinental bias to maritime potential of BOB.

Countries like Myanmar, Nepal, ^{Bhutan} ~~Bhutan~~ are rich in hydropower but do not have the resources to build dams. The lack of regional electricity trade has encouraged Bangladesh to consider thermal power projects funded by China. India-Bhutan hydropower ties should be applauded as India has financed & built over half a dozen dams in Bhutan. The electricity is exported to India. However, India has not been able to replicate these in Nepal or Myanmar. In the absence of connectivity, Bangladesh is also unable to buy electricity from these two.

Key forward:

BOB nations, must set up a SPV to build a BOB power grid with regional governments as shareholders.

A BOB Venture fund with regional governments as anchor investors could be done under BIMSTEC umbrella.

Tech investors rarely consider smaller BOB nations which lack tech ecosystems. Successful tech entrepreneurs are big backers of new startups & hence this category of investors needs to be created.