

In reciprocal move, India places curbs on Bangladesh exports to North-East and abroad

Readymade garments to cotton yarn face restrictions, fish, edible oil spared

India decided Saturday to place restrictions on Bangladeshi products being exported to North-East India and overseas. This appeared to be a reciprocal move given that Dhaka had been imposing non-tariff barriers on Indian exports to Bangladesh.

The Directorate General of Foreign Trade, under the Ministry of Commerce, issued a notification Saturday. It said the restrictions will not apply to import of fish, LPG, edible oil and crushed stone to India from Bangladesh. The restrictions will also not apply to Bangladesh exports to Nepal/Bhutan transiting through India, it said.

The curbs come a month-and-a-half after Bangladesh interim government chief adviser Muhammad Yunus said in Beijing that North-East India is “landlocked” and Dhaka is the “only guardian of the ocean for all this region” — he made the remark while seeking “extension of the Chinese economy”.

India decided to impose port restrictions on specified Bangladesh exports to India across all land customs stations (LCSs) or integrated check posts (ICPs) in Assam, Meghalaya, Tripura and Mizoram and through Changrabandha and Fulbari in north Bengal.

The products include readymade garments, wooden furniture, plastic and PVC finished goods, fruit-flavoured and carbonated drinks, baked goods, snacks, chips and confectionery items, and cotton yarn among others.

Separately, in the case of readymade garments, port restrictions are expected to apply to Bangladesh exports to India across all land ports, permitting imports only through Kolkata and Nhava Sheva seaports.

This is one of the strongest pushbacks from Delhi against Dhaka since the ouster of the Sheikh Hasina government in August last year.

The rationale for the restrictions in the North-East is that India had earlier permitted export of Bangladesh goods via all LCS and ICP and through seaports without undue curbs.

But Bangladesh continues to impose port restrictions on Indian exports, particularly at LCSs and ICPs bordering North-East states despite the issue being raised at all relevant meetings for a long time now.

Delhi's assessment is that industrial growth in the North-East suffers a triple jeopardy due to imposition of unreasonably high and economically unviable transit charges by Bangladesh, denying in practice North-East's access to the rest of India for its manufactured goods and sourcing inputs notwithstanding the bilateral transit agreements.

Due to landport restrictions by Bangladesh, North-East states suffer from lack of access to the Bangladeshi market to sell locally manufactured goods, restricting market access to primary agricultural goods only. Bangladesh, on the other hand, has free access to the entire North-East market, creating an unhealthy dependency and stymying growth of the manufacturing sector in the North-East, according to Delhi's view.

To support local manufacturing in the North-East, India decided to impose port restrictions across all LCSs/ICPs in Assam, Meghalaya, Tripura and Mizoram on specified Bangladesh exports to

India, targeting those commodities that can be locally manufactured.

Port restrictions will also apply to LCS Changrabanda and LCS Fulbari (both are in north Bengal) to avoid re-routing whereby Bangladesh exports can similarly traverse the Siliguri Corridor to reach the North-East, giving Indian states a “level playing field” and an “impetus to competitively manufacture”.

The targeted list of items – from garments to juice, furniture to cotton yarn – will be reviewed periodically to ensure that fair and equitable growth is facilitated in the North-East states in line with the government’s schemes aimed at the purpose.

On the readymade garments port restrictions that are expected to apply to Bangladesh exports to India, Delhi’s rationale is that Bangladesh has recently imposed port restrictions on export of Indian yarn via land ports allowing Indian yarn exports only via seaports. This, Delhi feels, has ostensibly been done in response to demand by Bangladesh textile mills even though the land route offers the quickest and cheapest access of yarn to the readymade garment industry in Bangladesh.

Bangladesh exports over USD 700 million worth of readymade garments annually to India.

According to Delhi, Dhaka cannot cherry-pick terms of bilateral engagement solely to benefit itself or take India’s market access for granted.

Sources said India is willing to engage in discussions but it is Bangladesh’s responsibility to create an environment free of rancour.

Shubhajit Roy, Diplomatic Editor at The Indian Express, has been a journalist for more than 25 years now. Roy joined The Indian Express in October 2003 and has been reporting on foreign affairs for more than 17 years now. Based in Delhi, he has also led the National government and political bureau at The Indian Express in Delhi — a team of reporters who cover the national government and politics for the newspaper. He has got the Ramnath Goenka Journalism award for Excellence in Journalism ‘2016. He got this award for his coverage of the Holey Bakery attack in Dhaka and its aftermath. He also got the IIMCAA Award for the Journalist of the Year, 2022, (Jury’s special mention) for his coverage of the fall of Kabul in August 2021 — he was one of the few Indian journalists in Kabul and the only mainstream newspaper to have covered the Taliban’s capture of power in mid-August, 2021. ... [Read More](#)