

PRESS RELEASE

Power Trade Will Benefit Bangladesh and India, finds USAID-SARI/EI Report

Dhaka, February 26, 2018: At a public event in Dhaka today, Dr. Gowher Rizvi, Adviser to the Prime Minister, International Affairs, Government of the People's Republic of Bangladesh, jointly released the SARI/EI report *'Economic Benefits of Bangladesh-India Electricity Trade'* with the Indian High Commissioner to Bangladesh, His Excellency Mr. Harsh Vardhan Shringla. The report discusses the benefits of power trade between Bangladesh and India and will provide policy directions to the Government of Bangladesh.

Integrated Research and Action for Development (IRADe), a regional think-tank based in Delhi, has carried out the study under the fourth phase of the South Asia Regional Initiative for Energy Integration (SARI/EI) Program. SARI/EI is a U.S. Agency for International Development's (USAID) program that works to promote cross-border electricity trade to revitalize and accelerate regional economic development in South Asia.

Speaking on the occasion, Dr Rizvi said, "It is truly a moment of great joy to be here for the release of the report, which finally provides tangible proof of the benefits of power trade between India and Bangladesh. Power exports from India has helped the country in meeting its power shortage and reducing blackouts. We have seen extraordinary success in the energy cooperation. With more power, the economy will expand faster."

The report analyses the potential of cross-border electricity trade (CBET) between India and Bangladesh till 2045 and its potential economic benefits for the two countries. It also analyses the optimal level of trading between the two countries, impact on per capita consumption, and its environmental benefits.

Speaking at the launch event, Dr Kerry Reeves, Deputy Director of the Office of Environment and Economic Growth at USAID/Bangladesh, said: "Strong energy ties between India and Bangladesh offer a bounty of benefits to bolster economic growth and employment opportunities in both countries. The U.S. government seeks to support this friendship and help build a more prosperous and stable South Asia."

Presenting the summary of the report, Dr. Kirit Parikh, Chairman at IRADe said, "Bangladesh's opportunity cost for power generation is much higher than that for India. It will be beneficial for Bangladesh to import and India to export power."

Quoting from the report, he said that the electricity imports can offset Bangladesh's energy import bill by 30% as imports from India will be much cheaper than creating the wherewithal required for power generation from imported fuels. Power imports from India will help Bangladesh optimize its investments in the power sector. The study also shows that higher level of trade would bring welfare benefits to the people of Bangladesh and substantially increase per capita consumption, which in turn would spur production and better utilization of the available financial resources.

The Indian High Commissioner to Bangladesh, H.E. Mr. Harsh V. Shringla, speaking at the event added: "The modelling study, provides valuable insights into the power trade and macro benefits to both the countries, which is a win-win. India and Bangladesh has fairly extensive cooperation in energy sector but there are opportunities to take it to a much higher level. This cooperation will enable tapping the hydro-potential in the North East and bringing power to mainland India more efficiently via Bangladesh. Bangladesh being a low riparian state, it should have benefits of sharing the hydro power potential of the region."

Earlier, in his address, V.k. Kharbanda, Project Director, SARI/EI, outlined the study process. He said, "It has been a painstaking and novel exercise where the power system models of the two countries were linked and many rounds of discussions with stakeholders, focused groups, electricity planners and policy makers from both India and Bangladesh were held."

Delivering the closing address, the Minister of State for Power, Energy and Mineral Resources, Mr. Nasrul Hamid, said, “Open markets, strong policy and regulatory frameworks will help in promoting power trade in the region. India can take a lead in regional power trade within BBIN. The role being played by SARI/EI and IRADe supported by USAID is commendable”. He concluded with a quote from Bertrand Russell “The only thing that will redeem mankind is cooperation”.

Note to the Editor:

To access the Executive Summary, visit:

<https://sari-energy.org/event/report-release-workshop-economic-benefits-bangladesh-india-electricity-trade-26th-february-2018-la-vita-hall-lakeshore-hotel-dhaka/>

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