

Trade and Transport Facilitation in India

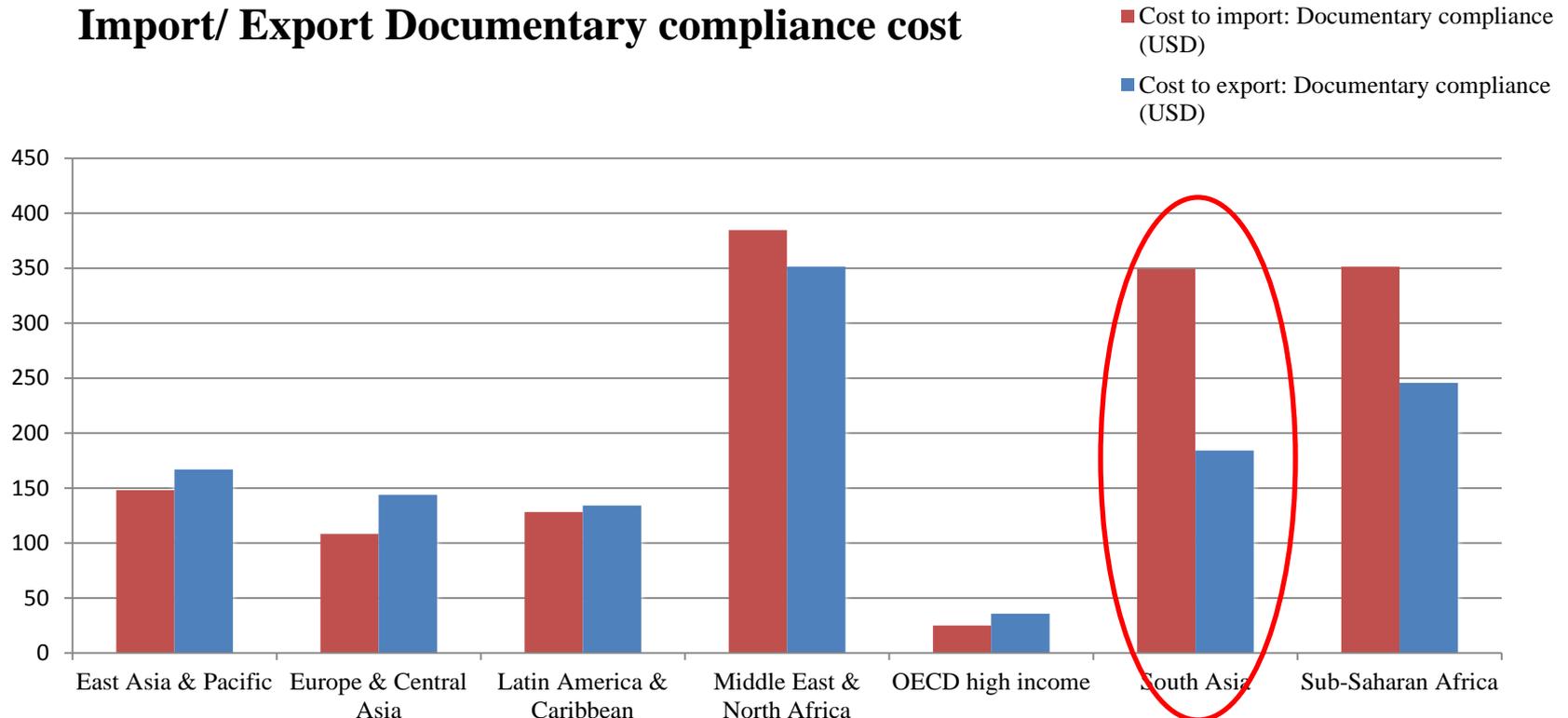
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South Asia's Performance on Trading Across Borders

- The World Bank's 2016 Report on "*Trading Across Borders*" shows that the cost of import and export is higher in South Asia as compared to other regions.
- It is pertinent to note that the cost of import is relatively higher than the cost of export in South Asia and affects overall trade competitiveness.

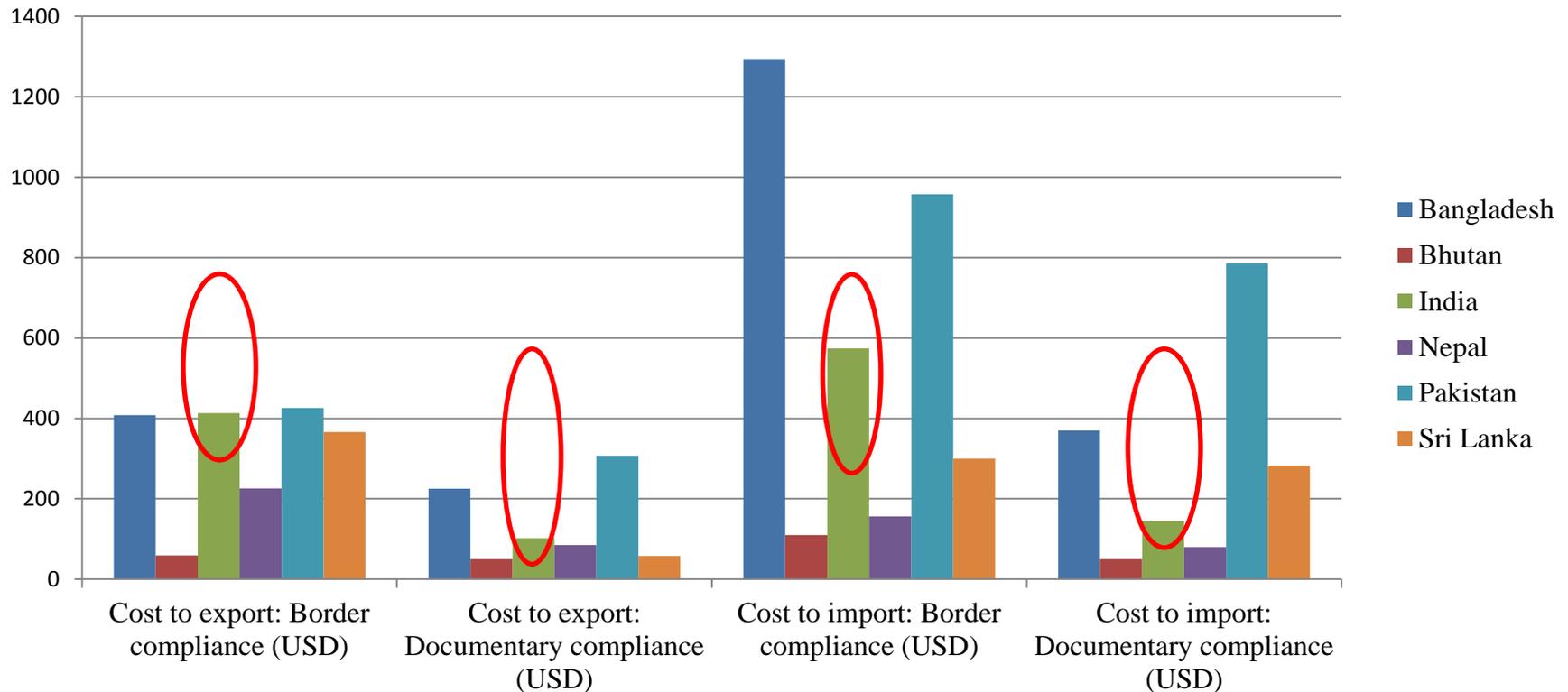
Import/ Export Documentary compliance cost



Trading Across Borders

- The cost of import and export varies significantly across South Asian countries and reflect the prevailing asymmetries in soft and hard infrastructure.
- High cost of import and export affect the growth of intra-regional trade and the development of regional value chains.

Trading Across Borders (Cost)



LPI of South Asian Countries, 2016 *vis vis* 2014
(Score on a scale lowest to highest score from 1 to 5)

Indicators	Bangladesh	Bhutan	Nepal	India	Pakistan	Sri Lanka*
LPI Rank (Out of 160 countries)	87 (108)	135 (143)	124 (105)	35 (54)	68 (72)	(89)
Customs	2.57 (2.09)	2.21 (2.09)	1.93 (2.31)	3.17 (2.72)	2.66 (2.84)	(2.56)
Infrastructure	2.48 (2.11)	1.96 (2.18)	2.27 (2.26)	3.34 (2.88)	2.70 (2.67)	(2.23)
International shipments	2.73 (2.82)	2.50 (2.38)	2.50 (2.64)	3.36 (3.20)	2.93 (3.08)	(2.56)
Logistics competence	2.67 (2.64)	2.30 (2.48)	2.13(2.50)	3.39 (3.03)	2.82 (2.79)	(2.91)
Tracking & tracing	2.59 (2.45)	2.20 (2.28)	2.47 (2.72)	3.52 (3.11)	2.91 (2.73)	(2.76)
Timeliness	2.90 (3.18)	2.70 (2.28)	2.93 (3.06)	3.74 (3.51)	3.48 (2.79)	(3.12)

Source: World Bank LPI 2016

*Note : Data of Sri Lanka for the year of 2016 is not available

Survey Methodology

- Extensive field survey was conducted at 12 ports of India and a total of 432 stakeholders were interviewed to understand key impediments related of trade and transport facilitation.

Stakeholders	Land and Sea Ports
Exporters, Importers, Customs Officials, Freight Forwarders, Road Carriers, Government Officials and Other Stakeholders	Attari, Agartala, Kolkata, Changrabandha, Chennai , Cochin, Jaigaon, Mumbai, Panitanki, Petrapole, Phulbari, Raxaul

- Qualitative inputs were gathered through discussion with customs officials, trade bodies and other government officials to understand the nitty-gritty of trade and transport procedures.

Key Observations From Selected Land and Sea Ports

- Absence of National Single Window System
- Procedural, administrative and regulatory barriers affects the efficiency of customs clearance at border points
- Absence of testing, certification and standards related institutions at selected border points cause substantial delays and increase the cost of doing trade
- Lack of harmonisation and regulatory convergence creates serious issues related to rejection of consignments of agriculture and food products
- The current state of trade infrastructure (including road, rail and approach roads) leads to congestions and creates challenges for efficient movement of vehicles

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- Lack of coordination between states and central agencies leads to uncertainty and delays thereby affecting the overall functioning of land and sea ports
- Sub-optimal progress in terms of development of integrated check posts at the Indian sides and also in corresponding border points
- Frequent failure of internet connectivity causes delays in completing custom clearance and other documentation related formalities
- Lack of transparency in testing and regulatory procedures especially for agriculture and food products creates hassles for traders in India

Key Recommendations

- Establish a National Single Window System with minimal, predictable and reliable procedures to promote speedy and quick clearance at border points
- Emphasis on harmonisation of standards and conformity assessment procedures under SARSO to reduce the potential risks of disguised trade barriers
- Set-up more Integrated Check Posts (ICPs) at both sides of border points to promote faster clearance of goods
- Establish more testing, animal/plant quarantine facilities, food testing laboratories at border points to expedite the process of clearance of consignments
- Promote containerisation of cargo through the development of Inland Container Depots

- Emphasis on greater degree of coordination between central and state agencies for smooth implementation of policies and regulations
- Development of national and regional trade portals containing all relevant information on trade procedures, processes and regulations is critical for generate greater trade and investment opportunities
- Focus on successful implementation of SAARC Multimodal Transport Agreement to eliminate impediments in trade supply chains of the South Asian countries
- Emphasis on the development of trade corridors and make them as corridors of people-to-people connectivity along with being corridors for cargo movements

Thank You