

Trade Facilitation in South Asia: An Analysis of Import and Export Processes

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Trade and Transport Facilitation Audit in South Asia

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Trade facilitation in South Asia

Period	Regional trade* (US\$ billion, %)	Trade liberalization	Trade facilitation
1980-89	0.98; 3.11	Nil	Nil
1990-99	1.73; 4.15	SAPTA	Nil
2000-09	8.04; 5.96	SAFTA	Nil
2010 - 12	19.05; 5.80	SATIS	Nil

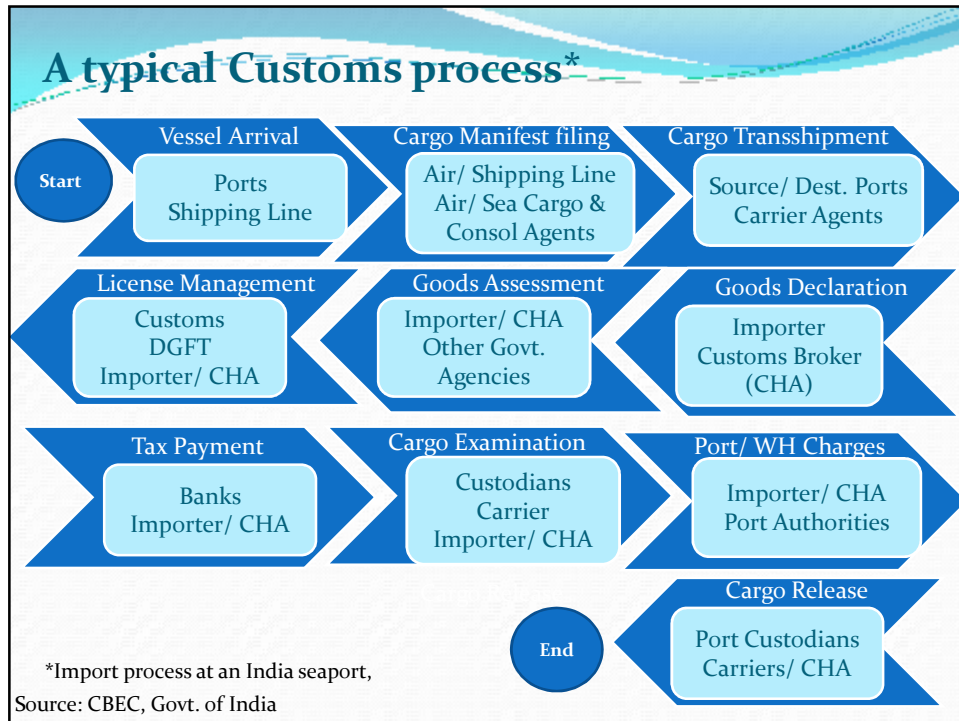
*Exports

SAARC CUSTOMS ACTION PLAN, 1997

- I. Uniform Application, Harmonisation and Simplification of Customs Procedures and Practices
- II. Effective Implementation of the WTO Agreement on Valuation
- III. Uniform Application, Updating and Promotion of the Harmonised System
- IV. Enhancement of the Effectiveness of the Customs Administrations in their Compliance Responsibilities
- V. Human Resource Development

South Asian Trade Facilitation Programme - ongoing

1. Modern and effective customs administration and management
Accession to and alignment with RKC; SAFE Framework implementation
2. Streamlined and transparent trade processes and procedures
ASYCUDA World; National Single Windows
3. Improved services and information for traders
Trade portals; Trade facilitation committees

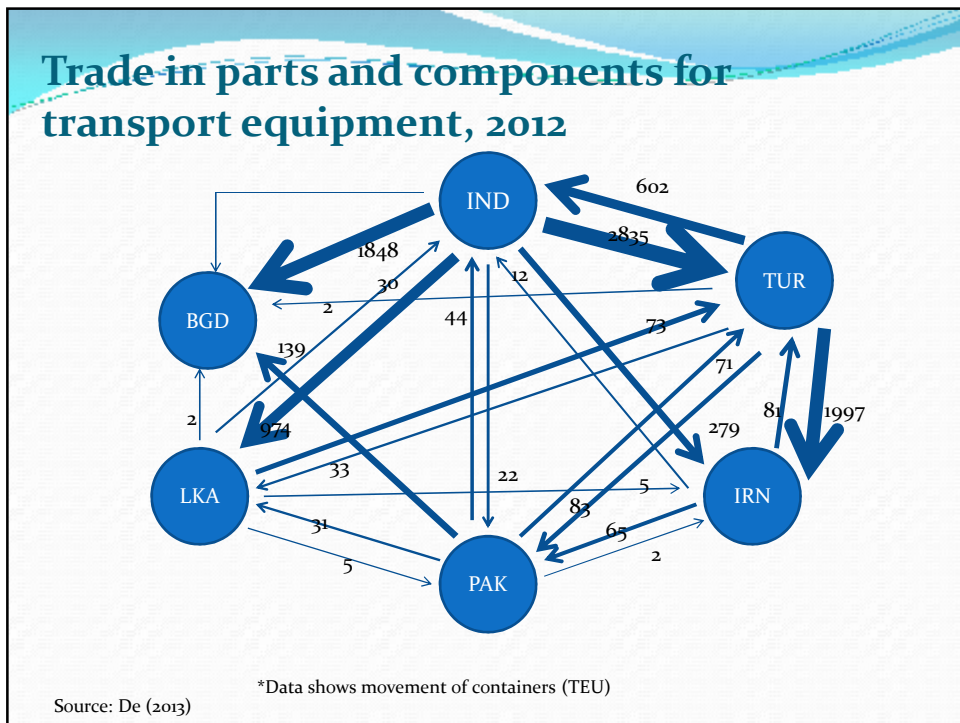
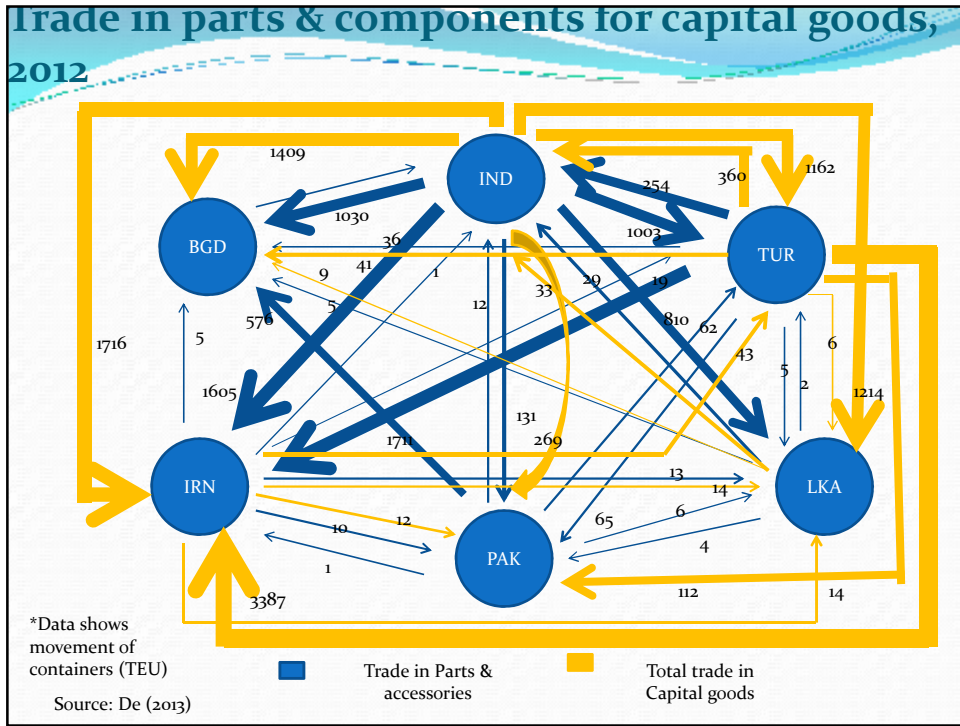


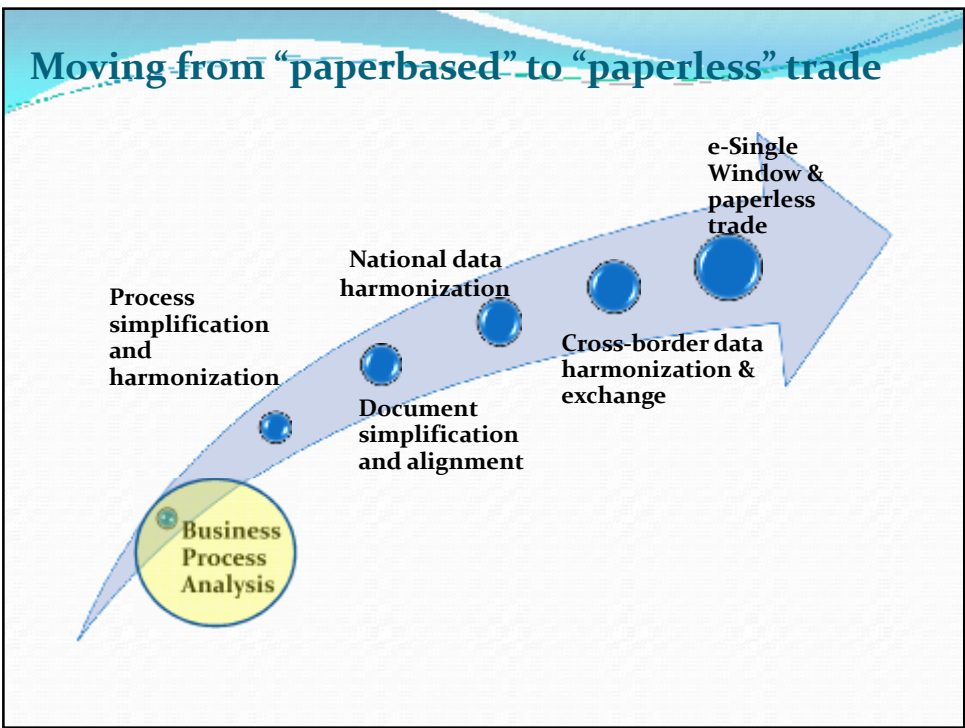
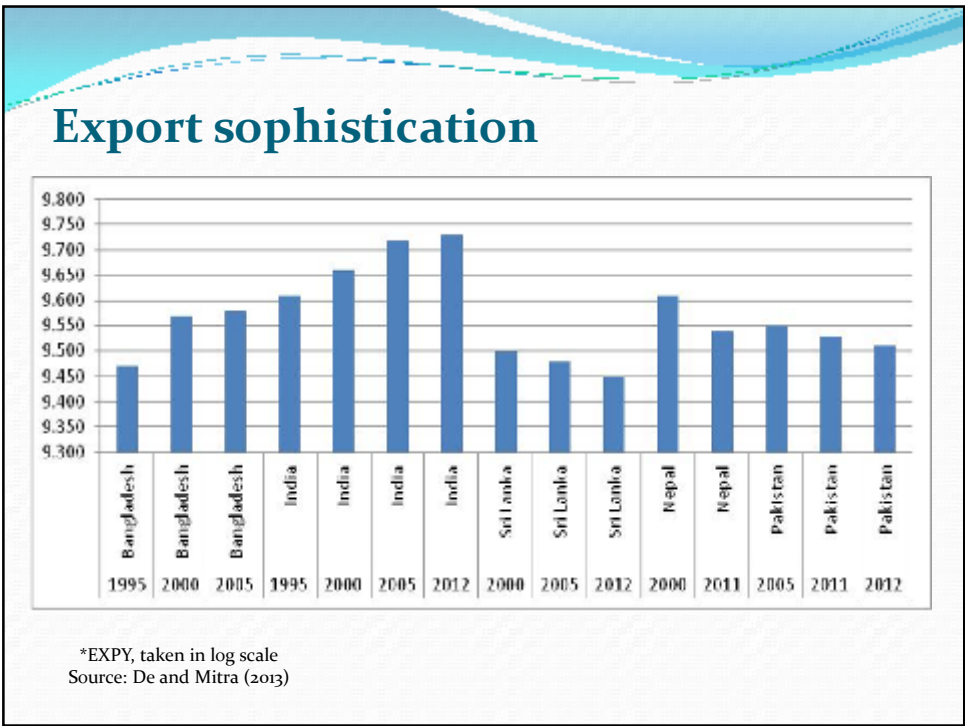
Performance of ICEGATE in India

- ICEGATE - Indian Customs Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway, covers 98% trade of the country.
- Over 10,000 users registered with ICEGATE, serving over 1 million importers and exporters, through 111 Customs locations across India.
- The airlines and shipping agents file manifests using this facility.
- As on 2011-12, about 9.2 million export/import documents and about 3.9 million other documents such as IGMs, EGMs, Consol Manifests, Query Replies, etc. were transacted.
- About Rs. 5.5 billion was made electronically through EDI system every day, and about Rs. 139.60 billion was disbursed as export incentive in 2011-12.
- ICEGATE has saved about Rs. 3.39 billion transaction costs in 2011-12.
- Its Risk Management System (RMS) received Prime Minister's Award.

Indian Export Processes of Export of Fabrics to Bangladesh

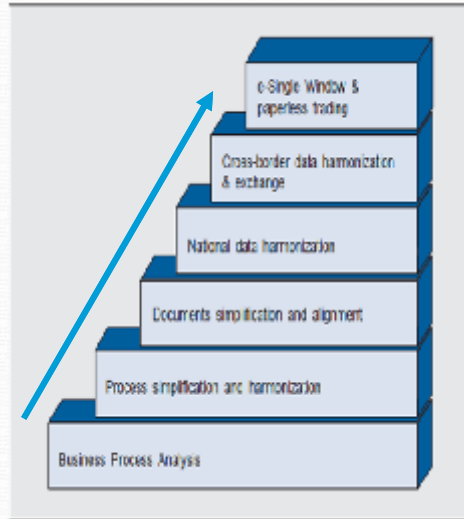
Sr. No.	Process	Submission of Documents
1	Buy	Electronic and manual
2	Obtain export permit	Electronic
3	Contract registration and inspection	Electronic and manual
4	Excise inspection	Electronic and manual
5	Obtain cargo insurance	Electronic
6	Arrange pre-shipment inspection	Electronic and manual
7	Obtain certificate of origin	Electronic and manual
8	Obtain SAFTA certificate	Electronic and manual
9	Submit customs declaration	Electronic
10	Arrange transport for loading	Electronic and manual
11	Transfer to LCS	Manual
12	Parking of goods at LCS	Manual
13	Customs clearance at LCS	Electronic and manual
14	Send the goods to importer's warehouse	Manual
15	Pay	Electronic



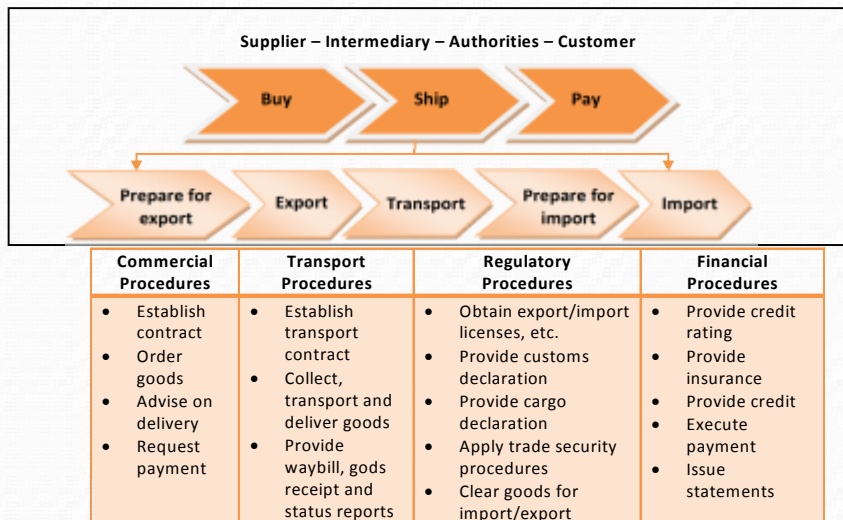


BPA to implement paperless trade

- BPA is the first technical step in preparing for paperless trade and SW.
- International model, universal methodology (UML)
- It provides
 - Inventory of processes, documents, data, parties, rules & regulations..
 - Description of the processes
 - Specifications for harmonizing data and development of electronic documents
 - Specifications to develop software for the automation of procedures
 - Business Models for operation of SW
 - A basis for maintenance and improvement



Comprehensive understanding of the supply chain with help of BPA



**ADB/ESCAP (2013), SASEC BPA Report 2013:
Towards Simplifying Trade Processes and
Procedures in SASEC, Manila and Bangkok**

Products analyzed

	Export Processes			
	Bhutan	Bangladesh	Nepal	Third Country
Import Processes	Bhutan	Fruit juice (0.0, 1.83)		
	Bangladesh	Orange (1.54, 6.57)	Lentil (1.03, 42.56)	
	Nepal		LAA (0.06, 1.56)	CSO** (8.72, 82.01)
	Third country		Carpet* (146.36, 60.61)	

*Import processes excluded from analysis. ** Export processes excluded from analysis.

LAA and CSO mean lead acid accumulator and crude soya bean oil, respectively.

Data in parentheses are trade volumes in US\$ million for the years 2000 and 2010), sourced from COMTRADE

Study corridors

Corridor	Countries Linked	Distance, Total	Distance, Transit	Products Traded
Corridor 1 (Nepal corridor) Kakarvitta-Panitanki-Fulbari-Banglabandha	Nepal – India – Bangladesh	1152 km [#]	54 km	<ul style="list-style-type: none"> • Lentil • LAA*
Corridor 2 (Bhutan corridor) Phuentsholing-Jaigaon-Hasimara-Changrabandha-Burimari	Bhutan – India – Bangladesh	630 km [^]	115 km	<ul style="list-style-type: none"> • Orange • Fruit juice
Corridor 3 (Nepal corridor) Kathmandu-Birgunj-Raxaul - Kolkata	Nepal - India	1287 km ^s	1047 km	<ul style="list-style-type: none"> • Carpet • CSO**

*Lead acid accumulator **Crude soya bean oil #Kathmandu to Dhaka. ^Thimpu to Dhaka
sKathmandu to Kolkata

Corridor 1 (Nepal corridor)

Kakarvitta (Nepal) – Panitanki (India) – Fulbari (India) –
Banglabandha (Bangladesh)



1. Nepal's import of lead acid accumulator
2. Nepal's export of lentil
3. Distance: 54 km [Kathmandu to Dhaka – 1152 km]
4. Nepal's 1% total trade (US\$ term) passes through this corridor

Corridor 2 (Bhutan corridor)

Phuentsholing (Bhutan) – Jaigaon (India) – Hasimara (India) –
Changrabandha (India) – Burimari (India)



1. Bhutan's import of fruit juices
2. Bhutan's export of oranges
3. Distance: 115 km

Corridor 3 (Nepal corridor)

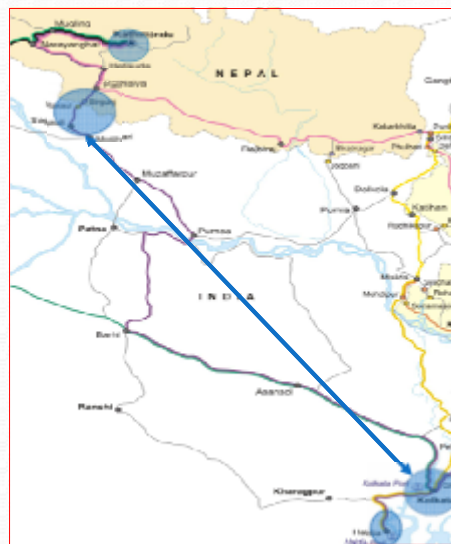
Kathmandu (Nepal) – Birgunj (Nepal) –
Raxaul (India) – Kolkata (India)

1. Nepal's import of Crude soya bean oil
2. Nepal's export of carpet
3. Distance: 704 km (Kolkata port), 832 km (Haldia port)
4. Share of Birgunj customs to total trade: 44%

Handling of cargo by ICD Birgunj

	Containerized Cargo		Break Bulk Cargo	
	No of Train	Total TEUs	No of Train	Total MT
2008/09	178	14702	7	18242
2009/10	207	17616	81	194313
2010/11	222	19440	128	326826
Growth (%)	12.36	16.11	864.29	845.81

Source: Rajkarnikar (2013)



Business processes, time, cost

Corridor	Exporter	Importer	Products	Procedures (No.)			Time (Day)	Cost (US\$/TEU)
				Exporter	Importer	Total		
<i>Corridor 1:</i> Kakarvitta- Panitanki-Fulbari- Banglabandha	Nepal	Bangladesh	Lentil	18	13	31	23.40	791.8
	Bangladesh	Nepal	LAA	12	16	28	29.26	1402.05
<i>Corridor 2:</i> Phuentsholing- Jaigaon-Hasimara- Changrabandha - Burimari	Bhutan	Bangladesh	Orange	18	14	32	18.60	569.84
	Bangladesh	Bhutan	Fruit Juice	9	16	25	20.13	527.61
<i>Corridor 3:</i> Kathmandu- Birgunj-Raxaul- Kolkata	Nepal	Third country*	Carpet	23		23	26.00	2285.40
	Third country**	Nepal	CSO		21	21	18.00	689.74

*Excluding export processes

**Excluding import processes

Parties engaged in export and import processes

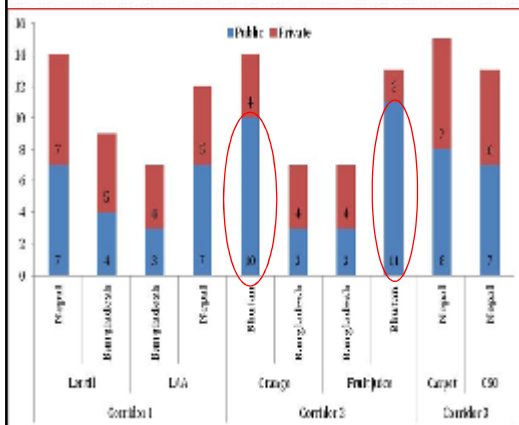
Corridor	Exporter	Importer	Products	Parties (No.)						Total
				Exporter			Importer			
				Public	Private	Total	Public	Private	Total	
<i>Corridor 1:</i> Kakarvitta-Panitanki- Fulbari- Banglabandha	Nepal	Bangladesh	Lentil	7	7	14	4	5	9	23
	Bangladesh	Nepal	LAA	3	4	7	7	5	12	19
<i>Corridor 2:</i> Phuentsholing- Jaigaon-Hasimara- Changrabandha- Burimari	Bhutan	Bangladesh	Orange	10	4	14	3	4	7	21
	Bangladesh	Bhutan	Fruit Juice	3	4	7	11	2	13	20
<i>Corridor 3:</i> Kathmandu-Birgunj- Raxaul-Kolkata	Nepal	Third country*	Carpet	8	7	15				15
	Third country**	Nepal	CSO				7	6	13	13

*Excluding export processes

**Excluding import processes

Parties dealing procedures by country and corridor

Parties Involved in Export of LAA from Bangladesh to Nepal



Sr. No.	Procedures	Public / Private
1	Contacting importers	Private
2	Fixing terms of trade with importer via Local office	Private
3	Sending draft contract and proforma invoice	Private
4	Receiving acceptance letter and acknowledge L/C copy	Private
5	Obtaining cargo insurance ²	Private
6	Preparing documents for export ³	Private
7	Load in truck and deliver to port	Private
8	Deposit chalan fee, VAT and customs declaration	Public and Private
9	Customs inspection and clearance by C&F agent	Public
10	Out Pass handing over by C&F Agent to importer's representative and unloading of the commodity to importer's carrier	Private
11	Receive payment	Private

Source: Yunus (2013)

Documents and copies required

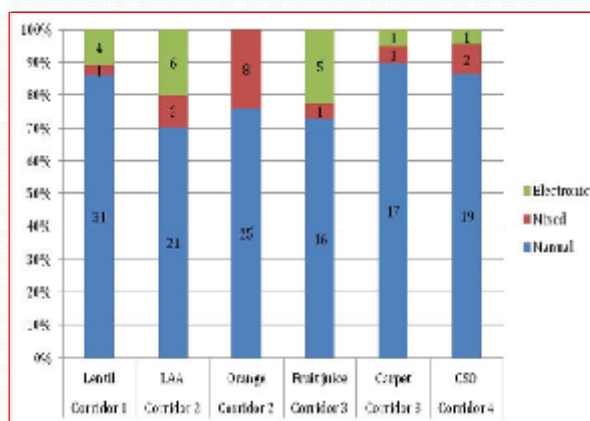
Corridor	Exporter	Importer	Products	Documents & Copies (No.)		
				Exporter	Importer	Total
Corridor 1: Kakarvitta-Panitanki-Fulbari-Banglabandha	Nepal	Bangladesh	Lentil	18 (44)	18 (71)	36 (115)
	Bangladesh	Nepal	LAA	15 (50)	15 (33)	30 (83)
Corridor 2: Phuentsholing-Jaigaon-Hasimara-Changrabandha-Burimari	Bhutan	Bangladesh	Orange	14 (26)	18 (69)	32 (95)
	Bangladesh	Bhutan	Fruit Juice	9 (30)	16 (44)	25 (74)
Corridor 3: Kathmandu-Birgunj-Raxaul-Kolkata	Nepal	Third country*	Carpet	19 (44)		19 (44)
	Third country**	Nepal	CSO		22 (49)	22 (49)

*Excluding export processes

**Excluding import processes

Numbers in parentheses are copies needed for export and import.

Submission of documents



- Submission of documents largely handled manually (over 80% of trade documents on avg.)
- Automation of trade documentation is relatively a new process in SASEC except India.

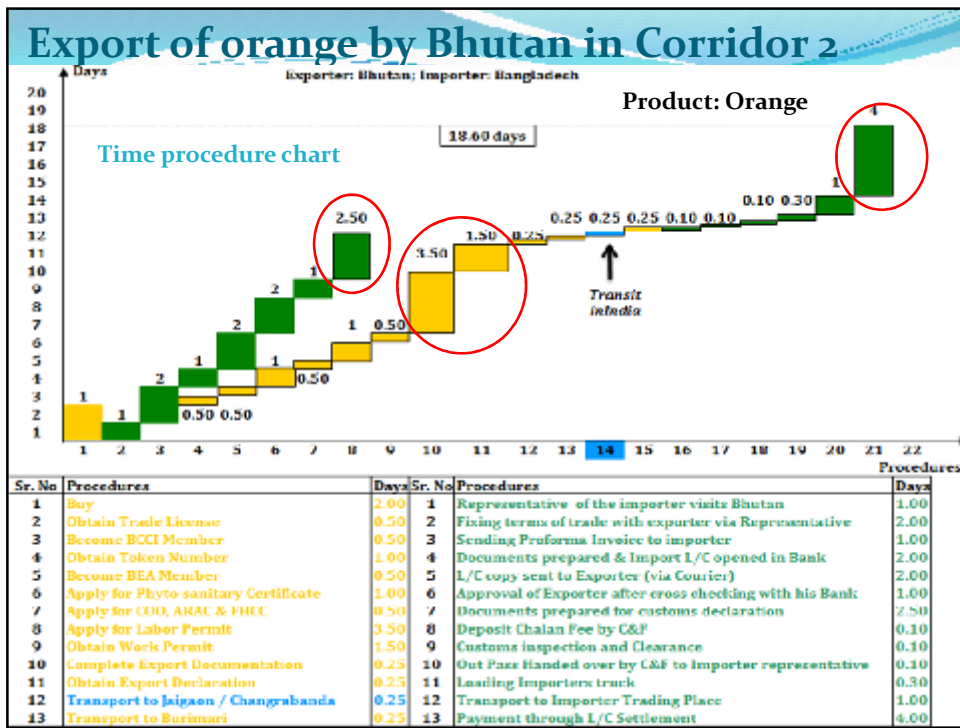
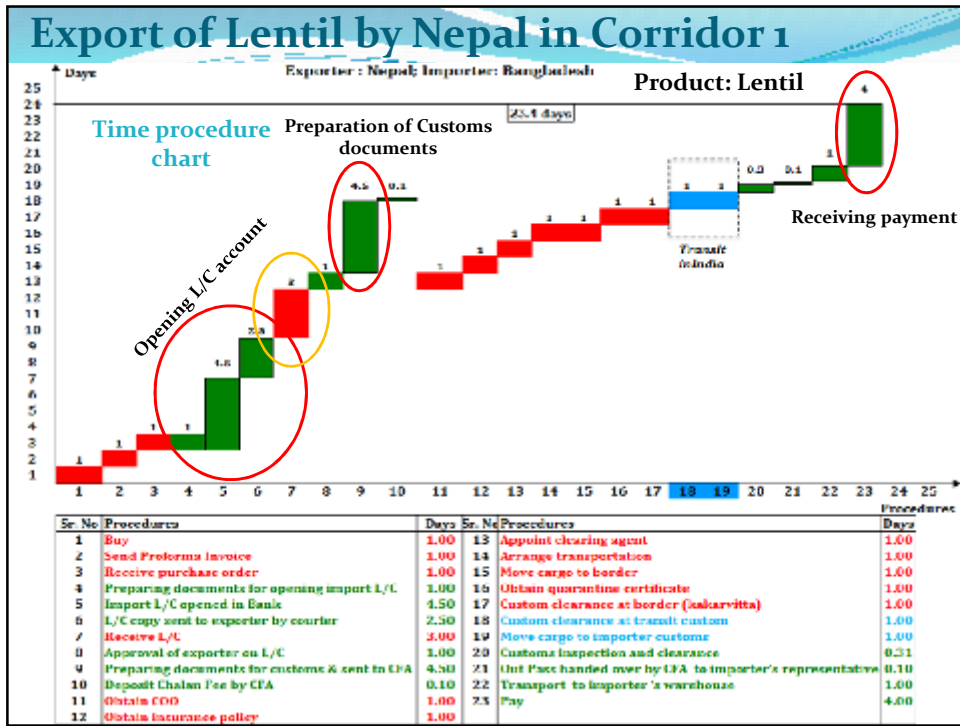
Direct costs of trade in LAA in Corridor 1

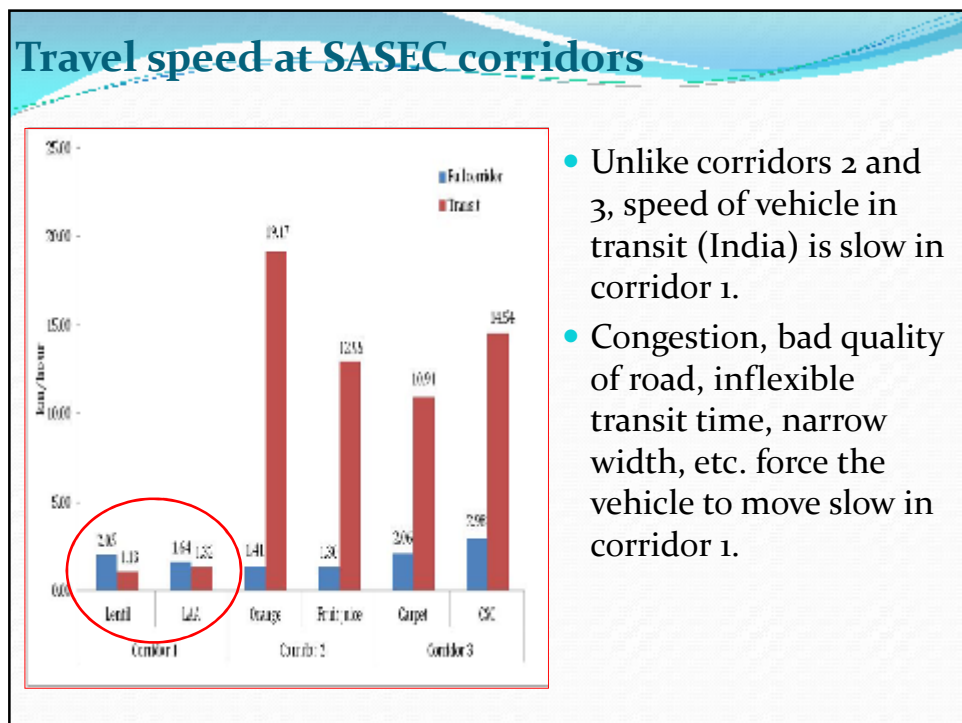
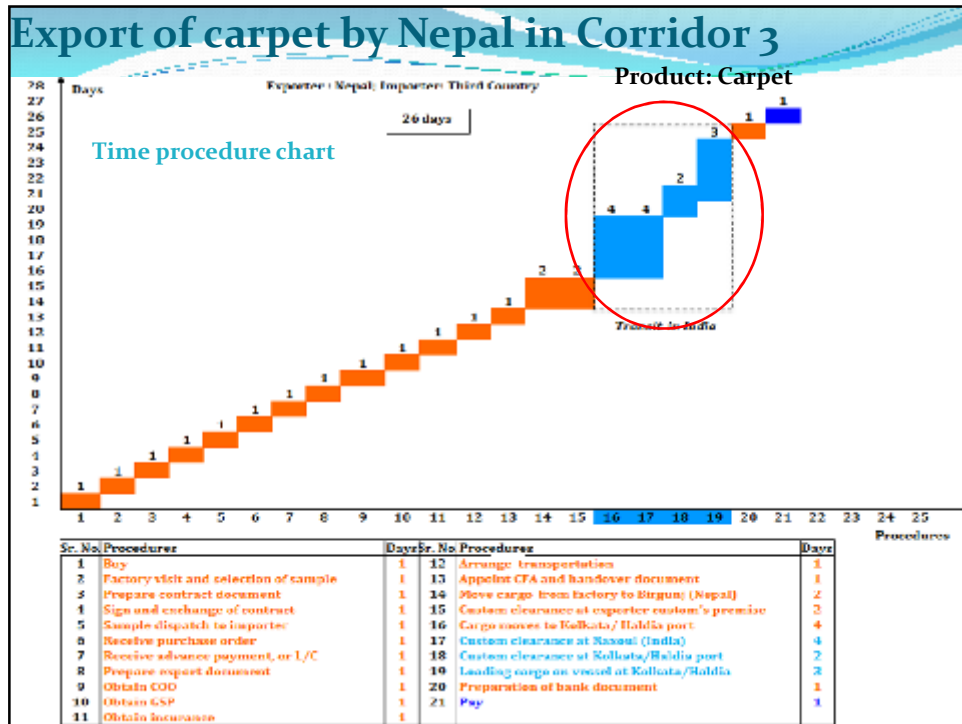
Exporter: Bangladesh Importer: Nepal

Sr. No.	Procedures	Cost (US\$)#	Share (%)
1	Fixing terms of trade with importer via local agent	6.00	0.37
2	Cargo Insurance*		
3	Documents preparing for export	19.50	1.22
4	Custom Declaration	6.90	0.43
5	VAT*		
6	C&F charge	221.00	13.78
7	Customs inspection and clearance	200.00	12.47
8	Out pass from port	1.10	0.07
9	Unload to importers vehicle	8.75	0.55
10	Transport cost	202.00	12.59
	Sub-total (export process costs at Bangladesh)	665.25 (1,025)	41.47
11	Contact export agent	0.70	0.04
12	Fix trade term	0.80	0.05
13	Sign and exchange contract	7.40	0.46
14	Service charge for opening L/C	47.00	2.93
15	Obtain approval from AEPIC	0.00	0.00
16	Labor charge for loading/unloading at Phulbari/ Banglabandha Custom	31.00	1.93
17	Freight from Phulbari to Kathmandu	573.20	35.74
18	Custom clearing cost for clearing Agent	6.10	0.38
19	Custom clearing cost for NTWLC	203.00	12.66
20	ICD entry fee	1.80	0.11
21	Custom service charge	6.90	0.43
22	Other cost (including informal costs)	60.90	3.80
	Sub-total (import process costs at Nepal)	938.80 (2,095)	58.53
	Total trade process cost	1604.05	100.00

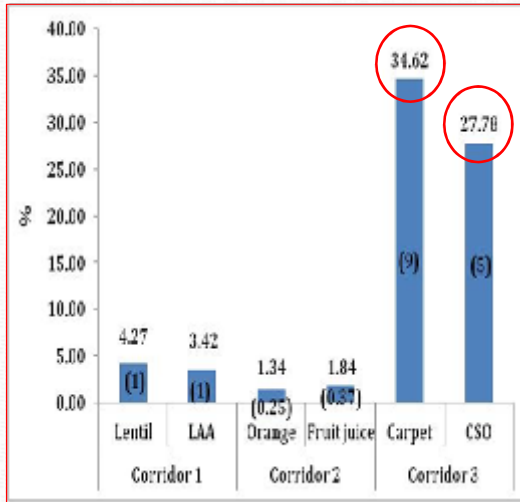
Direct costs of trade in orange in Corridor 2			
Exporter: Bhutan; Importer: Bangladesh			
Sr. No.	Procedure	Cost (US\$)	Share (%)
1	Buy	0.00	0.00
2	Obtain trade license	74.55	10.95
3	Membership in BCCI	136.36	20.04
4	Obtain Token No.	9.09	1.34
5	Membership in BEA, Phuentsholing (one-time)	62.51	9.18
6	Open L/C	0.00	0.00
7	Apply for Phyto-sanitary Certificate (PSC)	5.18	0.76
8	Apply for Certificate of Origin	0.27	0.04
9	Apply for labor permit	0.00	0.00
10	Obtain work permit	4.55	0.67
11	Complete Export Documentation	8.75	1.29
12	Obtain export declaration	1.82	0.27
13	Transport to Changrabandha	138.18	20.30
14	Transit to Burimari	0.00	0.00
15	Receive payment	3.18	0.47
	Sub-total (export process costs in Bhutan)	444.44 (2,230)	65.30
16	Representative of the importer visits Bhutan and fixes terms of trade with exporter	64.00	9.40
17	Preparing documents for opening Import L/C	8.00	1.18
18	L/C opening in bank	3.75	0.55
19	L/C copy sent to the exporter(via Courier)	5.00	0.73
20	Documents prepared for customs declaration (to be used by C&F agent)	2.50	0.37
21	C&F charge	27.40	4.03
22	Transport from port to trading place	113.00	16.60
23	Customs inspection and clearance	12.50	1.84
24	Collect Out pass from port	0.00	0.00
	Sub-total (import process costs in Bangladesh)	236.15 (1,430)	34.70
	Total trade process cost	680.59	100.00

Direct costs of trade in carpet in Corridor 3			
Exporter: Nepal; Importer: Third Country			
Sr. No.	Procedure	Cost (US\$)	Share (%)
1	Contact buyer agent	0.67	0.03
2	Visit factory by importer agent (local transportation , communication and other expenses e.g. refreshment)	7.30	0.32
3	Prepare contract document	4.30	0.19
4	Sign and exchange of document by courier	16.50	0.72
5	Prepare and collect document	3.00	0.13
6	Obtain COO from District Chamber of Commerce	130.00	5.69
7	Obtain GSP Trade and Export Promotion Centre	91.50	4.00
8	Custom service charge	8.30	0.36
9	Insurance premium	540.00	23.63
10	Freight from Kathmandu to Kolkata	1100.00	48.13
11	Custom clearing agent cost at border	46.00	2.01
12	Preparation of Bank document	0.80	0.04
13	Bank service charges for receiving payment	270.00	11.81
14	Other cost	67.00	2.93
	Total (export process costs in Nepal)	2285.37 (1,975)	100.000





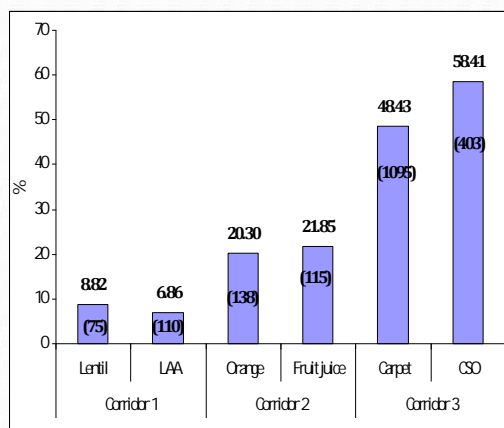
Time spent in transit (India)



Caveat: Length varies across corridors

- Corridor 3 takes longer time to cross transit route (in India)
- Nepal spends over 1/4th of export or import time in transit in Corridor 3
 - 9 days for export of carpet (35% of total export time)
 - 5 days for import of CSO (28% of total import time)

Cost of transit



Note: Data in parentheses are actual cost in US\$ spent on transit in India

- Corridor 3 witnesses higher cost for transit of goods
 - 48 percent in export of carpet;
 - 58 percent in import of CSO

Export time in Corridor 1

Process	Product	Exporter	Importer	Procedure	Time (Days)
Export	Lentil	Nepal	Bangladesh	Buy (pre-shipment procedure)	1.00
				<i>Export/Import procedures</i>	
				Documents preparation	8.00
				Inland transportation	1.00
				Time at Customs	1.00
				Time at border	1.00
				Time at transit	1.00
				Pay (post-shipment procedure)	1.00
				Buy (pre-shipment procedure)	4.00
Export	LAA	Bangladesh	Nepal	<i>Export/Import procedures</i>	
				Documents preparation	12.50
				Inland transportation	1.00
				Time at Customs	0.56
				Time at border	0.76
				Pay (post-shipment procedure)	5.00

Export time in Corridor 2

Process	Product	Exporter	Importer	Procedure	Time (Day)
Export	Orange	Bhutan	Bangladesh	Buy (pre-shipment procedure)	2.00
				<i>Export/Import procedures</i>	
				Documents preparation	9.25
				Inland transportation	0.25
				Time at Customs	0.25
				Time at border	0.25
				Time at transit	0.50
				Pay (post-shipment procedure)	7.00
Export	Fruit juice	Bangladesh	Bhutan	Buy (pre-shipment procedure)	11.50
				<i>Export/Import procedures</i>	
				Documents preparation	9.00
				Inland transportation	0.55
				Time at Customs	1.13
				Time at border	1.20
Pay (post-shipment procedure)	*				

Export and import time in Corridor 3

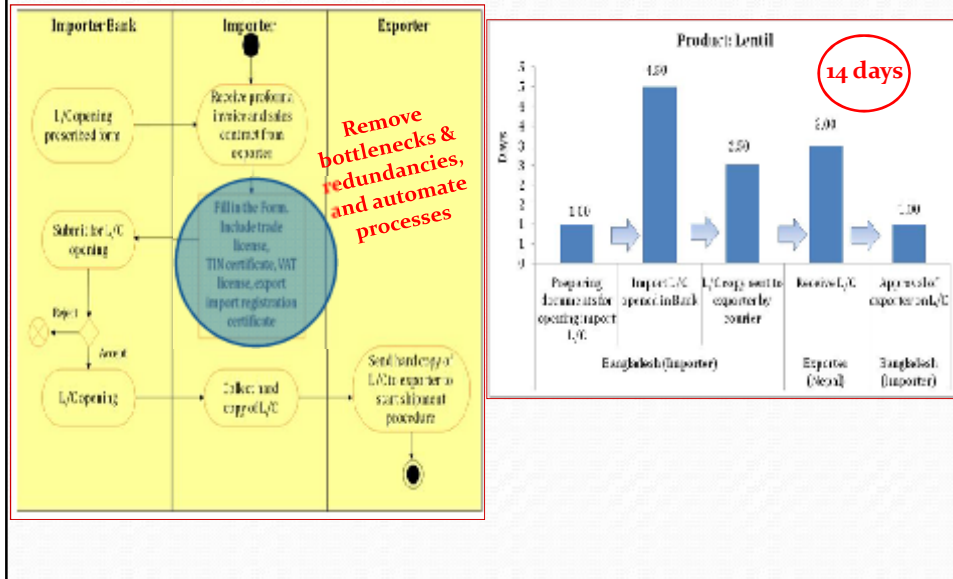
Process	Product	Exporter	Importer	Procedure	Time (Days)
Export	Carpet	Nepal	Third country	Buys (pre-shipment procedure)	5.00
				<i>Export/Import procedures</i>	
				Documents preparation	8.00
				Inland transportation	2.00
				Time at Customs	2.00
				Time at border	2.00
				Time at transit	9.00
				Pay	1.00
Import	CSO	Third country	Nepal	Buys (pre-shipment procedure)	4.00
				<i>Export/Import procedures</i>	
				Documents preparation	10.00
				Time at transit	11.00
				Time at Customs	1.00
				Time at border	1.00
				Inland transportation	1.00
				Pays (post-shipment procedure)	1.00

1. Reduce lengthy Customs and cargo handling time at Port of Kolkata in Corridor 3 through automation and modernization

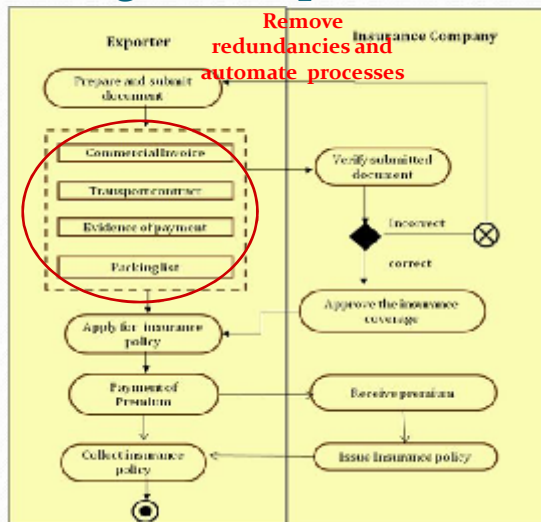
Procedure	Description	Time (Days)
1	Cargo moves to Kolkata/ Haldia port	4
2	Custom clearance at Raxoul (India)	4
3	Custom clearance at Kolkata/Haldia port	2
4	Loading cargo on vessel at Kolkata/Haldia port	3

- Port of Kolkata is a congested port.
- To ease congestion, faster loading and unloading at Kolkata port is essential.
- Cross-border automation between Customs is needed
 - Cross-border digital CTD
- Need for technical assistance and capacity building and training.

2. Faster opening of L/C account in bank with the help of ICT



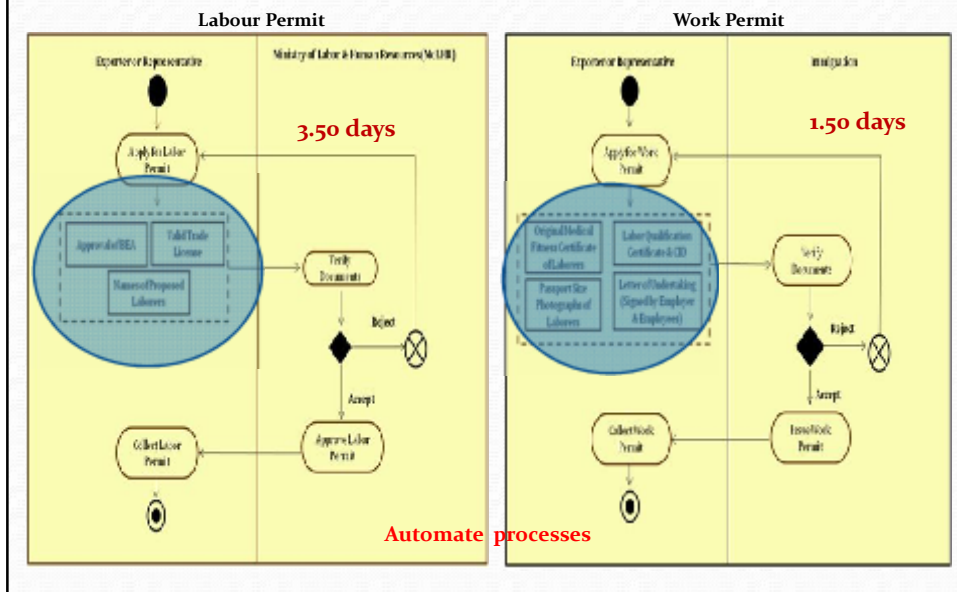
3. Faster cargo insurance with the help of ICT, process reengineering and competition among service providers



- Remove redundancies, simplify and automate some processes
- Introduce electronic submission of documents
- Banking and insurance services located at Phuntsholing do not support Customs and tax clearance.
- Policy for making the sector competitive, particularly in Nepal.
- Think for regional arrangement.

4. Use of ICT to obtain permits and certificates

Export of Orange by Bhutan to Bangladesh

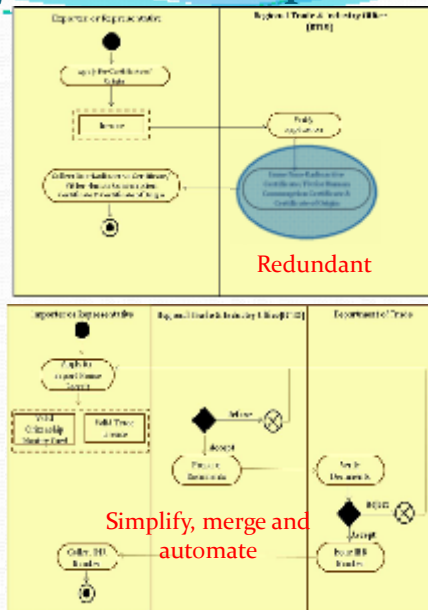


5. Synchronization of cross-border Customs in SASEC should be the priority objective.

- Customs should operate 24x7 basis
 - Birgunj Custom opens at 8 am whereas Raxaul Customs opens only at 10 am
- Full automation and link-up between Customs would reduce transaction time and cost
- Acceptance of cross-border Bill of Lading electronically ?
- Lead to paperless trade

6. Remove the regulatory burden on exports and imports

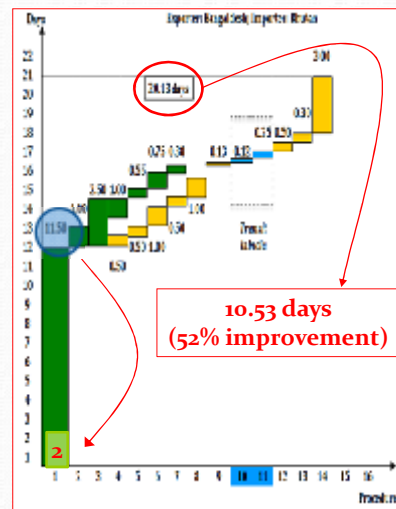
- Withdraw (by Bangladesh) the NRAC & FMCC, which are irrelevant.
- Simplify, merge and automate the IHR & other processes in Bhutan.
- Remove the procedure of Bhutanese Customs inspector to travel to Burimari/ Changrabanda to clear imports which often causes delays.
- Others (documentations imposed by port of Kolkata & Customs on Nepal cargo, etc.)



*Non-Radio Active Certificate
 **Fit for Human Consumption Certificate

7. Trade will be much faster with minimum process reengineering.

- Receiving order from buyer (Bhutan) takes 11.50 days in case export of fruit juice from Bangladesh. This procedure can easily be reduced to just a day or two with use of ICT.
- Post-shipment payment can be faster; which can save 2 days for each of the 3 countries in SASEC.
- By making submission of documents electronically, Bhutan can save over a week time.
- With application of ICT, opening of L/C with bank can be reduced to 1-2 days in Nepal and Bangladesh.
- Harmonization of documentations would reduce avg. transaction time from over 22 days to less than 10 days in SASEC.



Actual vs. Target Time for Trade in Lentil in Corridor 1

Sr. No.	Procedures	Location	Actual Time (Day)	Target Time (Day)
1	Buy	Nepal	1.0	1.0
2	Send Proforma Invoice	Nepal	1.0	
3	Receive purchase order	Nepal	1.0	
4	Preparing documents for opening import L/C	Bangladesh	1.0	2.0
5	Import L/C opened in Bank	Bangladesh	4.5	
6	L/C copy sent to exporter by courier	Bangladesh	2.5	
7	Receive L/C	Nepal	3.0	2.0
8	Approval of exporter on L/C	Bangladesh	1.0	0.5
9	Preparing documents for customs & sent to CFA	Bangladesh	4.5	2.0
10	Deposit Chalan Fee by CFA	Bangladesh	0.1	0.1
11	Obtain COO	Nepal	1.0	2.0
12	Obtain insurance policy	Nepal	1.0	
13	Appoint clearing agent	Nepal	1.0	
14	Arrange transportation	Nepal	1.0	1.0
15	Move cargo to border	Nepal	1.0	1.0
16	Obtain quarantine certificate	Nepal	1.0	1.0
17	Custom clearance at border (Kakarvita)	Nepal	1.0	1.0
18	Custom clearance at transit custom	India	1.0	0.5
19	Move cargo to importer customs	India	1.0	
20	Customs inspection and clearance	Bangladesh	0.3	0.3
21	Out Pass handed over by CFA to importer's representative	Bangladesh	0.1	0.1
22	Transport to importer's warehouse	Bangladesh	1.0	0.5
23	Pay	Bangladesh	4.0	2.0
Total			23.4	15.0 (36% improvement)

Actual vs. Target Time for Trade in Fruit Juice in Corridor 2

Sr. No.	Procedures	Location	Actual Time (Day)	Target Time (Day)
1	Buy	Bangladesh	11.50	2.00
2	Obtaining Certificate of Origin	Bangladesh	1.00	0.50
3	L/C Opening	Bangladesh	2.50	1.50
4	Contracting Inland Transport Agency	Bangladesh	1.00	
5	Transport to port of departure	Bangladesh	0.55	0.55
6	Obtaining customs declaration	Bangladesh	0.75	0.75
7	Customs inspection and clearance	Bangladesh	0.38	0.38
8	Clear Goods at Burimari	Bhutan	0.13	0.13
9	Clear Goods at Changrabandha	Bhutan	0.12	0.12
10	Transport to Jaigaon / Phuentsholing	Bhutan	0.25	0.25
11	Complete Import Documentation	Bhutan	0.50	0.50
12	Obtain Import Declaration	Bhutan	0.50	0.50
13	Pay	Bhutan	3.00	2.00
Total			20.13	9.18 (54% improvement)

Actual vs. Target Time for Trade in Carpet in Corridor 3

Sr. No.	Procedures	Location	Actual Time (Day)	Target Time (Day)
1	Buy	Nepal	1.0	1.0
2	Factory visit and selection of sample	Nepal	1.0	1.0
3	Prepare contract document	Nepal	1.0	1.0
4	Sign and exchange of contract	Nepal	1.0	
5	Sample dispatch to importer	Nepal	1.0	1.0
6	Receive purchase order	Nepal	1.0	1.0
7	Receive advance payment, or L/C	Nepal	1.0	1.0
8	Prepare export document	Nepal	1.0	1.0
9	Obtain COO	Nepal	1.0	
10	Obtain GSP	Nepal	1.0	
11	Obtain insurance	Nepal	1.0	1.0
12	Arrange transportation	Nepal	1.0	1.0
13	Appoint CFA and handover document	Nepal	1.0	
14	Move cargo from factory to Birgunj (Nepal)	Nepal	2.0	2.0
15	Custom clearance at exporter custom's premise	Nepal	2.0	
16	Cargo moves to Kolkata/ Haldia port from Birgunj	Nepal	4.0	2.0
17	Custom clearance at Raxaul (India)	India	4.0	
18	Custom clearance at Kolkata/Haldia port	India	2.0	1.0
19	Loading cargo on vessel at Kolkata/Haldia port	India	3.0	1.0
20	Preparation of bank document	Nepal	1.0	0.5
21	Pay	Third country	1.0	1.0
Total			26	17.5 (33% improvement)

8. Acceptance to subregional transit

- Elimination of transshipment system in Banglabandha (Bangladesh) can save one day.
- Subregional transit in SASEC is a doable project.
- Transit will help Bangladesh, Bhutan and Nepal to reduce costs and time of transportation and benefit from seamless movement of vehicles.
- It would lead to generate cross-border production networks in SASEC (e.g. food processing, T&C, etc.)
- To start with, subregional transit may be allowed in Corridors 1 and 2.
- Is GMS CBTA a template to follow? Any lessons from CAREC? Or any other region?

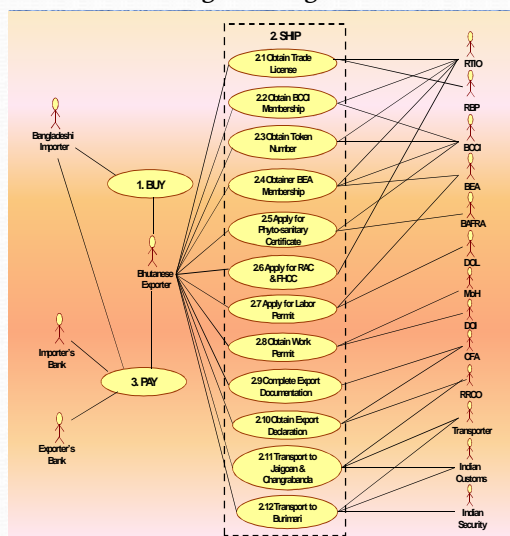
9. Development of border infrastructure at Corridors 1 and 2 is must.

Banking & finance	•Setting-up bank in Panitanki and Phuklbari (India)
Testing lab and equipment	•Setting-up testing laboratory / facilities at Phuentsholing •X-ray machines in all the LCSs
Warehouse and parking	•Add parking spaces and warehouses in Panitanki (India), Jaigaon (India), Phuentsholing (Bhutan), Changrabandha (India), Birganj (Nepal), Raxaul (India), etc.
Cargo handling	•Phuentsholing needs cranes, loaders, forklifts and scanning machines, etc. •Birgunj need modern handling equipment •Changrabanda and Jaigaon need office and handling equipment. •Birganj ICD needs modern handling equipment
Approach road	•Road to Kakarvitta from Panitanki and Raxaul to Birgunj congested and narrow. Need to be improved – either separate bypass or underpass •Road condition is not good between Phuentsholing and Hasimara (18 km) and Birpara and Dhupguri (25 km) in India. Development is needed.
Service facilities	• All border posts urgently need addition of service facilities in terms of hotel, Internet, etc. to operate 24x7.
Electricity	•All the border facilities face frequent power cut. Uninterrupted supply of electricity is essential to have the port work 24x7. Captive power facility?
Rolling stocks and railway service	•Increase number of trailers in both Raxaul and Birgunj. •Availability of railway engine at Birgunj ICD

10. National single window is essential for paperless trade in SASEC.

- e-filling of documents in Bhutan can save lot of time and cost. Same also applies to Nepal and Bangladesh.
- Payment of duties and incentives should be done electronically.
- Pilot project may be initiated in Bhutan.
- This would effectively lead to establish national window in Bhutan and other SASEC countries.

Use Case Diagram: Bhutan's Export of Orange to Bangladesh



11. Implementation of basic trade facilitation measures should be consistently enforced and re-enforced nation-wide.

BPA+: Coverage of BPA, TCD and TRS

Country 1 (Exporter)			Country 2 (Importer)		
Trade-related procedures before cargo movement	Cargo origin	Border crossing point	Border crossing point	Cargo destination	Trade-related procedures after cargo arrival
		TRS	TRS		
TCD					
BPA					

- Accept to Business Process Analysis “Plus” (BPA+), supplemented by ESCAP Time-Cost-Distance (TCD) and WCO Time Release Studies (TRS).

Source: ESCAP (2013)

Suggested policy measures

Procedural

- Minimize physical inspection except special cases (e.g. security), using risk management techniques (RMS)
- Permits and licences online only and eliminate fees
- Convergence and build common standards
- Accept to SASEC transit, 24x7 Customs, etc.

Documentary

- Harmonize Customs & other trade processes, data, etc.
- Phase-out manual process and move towards electronic system
- Acceptance of electronic signature in trade across borders

Transparency

- National and subregional (SASEC) TF performance monitoring system
- Regular and timely publication of all border measures
- Payment through digital system

Infrastructure

- Cargo handling equipment, testing lab., banks, etc.
- Improved border corridors and management
- Faster handling of goods at Kolkata/Haldia port
- Capacity building & training
- National and subregional single windows

Financing

- Availability of Insurance at lower rate
- Eliminate bank charges
- Faster opening of L/C with bank
- Faster post-shipment payment

Suggested TF projects

Government	Private sector	Development Organisation
<ol style="list-style-type: none"> 1. Development of SASEC transit system 2. Corridor specific (and also industry specific) trade facilitation programmes 3. Implementation of basic trade facilitation measures 4. Monitoring the TF programmes through joint task force committee 5. Ensure cooperation among border agencies such as security, customs, etc. 6. Develop a dispute settlement mechanism 7. Visa on arrival for business people trading through SASEC corridors 8. Set-up anchor TF projects in corridors 1 or 2 (e.g. development of dry port at Phuentsholing) 9. Capacity building and training for personnel handling trade, trade facilitation, etc. 10. Joint customs control and corridor and border management in SASEC 11. United cargo manifest for SASEC 12. e-filing trade procedures and through (cross-border) bill of lading, CTD, to start with, in SASEC 13. Development of SASEC single window and paperless system 	<ol style="list-style-type: none"> 1. Full and inclusive participation of the private sector 2. Use of modern vehicle tracking system (e.g. RFID, GPS, GPRS, etc.) 3. Capacity building and training 	<ol style="list-style-type: none"> 1. Development of SASEC TF database and periodic analysis and dissemination. 2. Development of a comprehensive analysis tool taking TRS, BPA and TCS together. 3. Development of a BPA software and training. 4. Second phase BPA on other corridors / sectors (e.g. Phuentsholing-Kolkata corridor) 5. Training and capacity building 6. Financing corridor projects 7. Advisory services

Trading across Borders: Comparisons with World Bank DBD, 2013

Economy	Time to export (days)			Cost to export (US\$/TWE)		
	WB	ESCAP	ADB	WB	ESCAP	ADB
Bangladesh ¹	25.00	13.50	23.26	1025.00	1015.00	[463.25]
Bhutan ²	38.00	#	20.00	2230.00	#	[435.69]
India ³	16.00	22.00	#	1120.00	532.00	#
Nepal ⁴	41.00	40.5	26.00	1975.00	1066.86	2285.40

Economy	Time to import (days)			Cost to import (US\$/TEU)		
	WB	ESCAP	ADB	WB	ESCAP	ADB
Bangladesh ¹	34.00	9.00	17.10	1430.00	[415.00]	[134.15]
Bhutan ²	38.00	#	15.00	2330.00	#	[303.01]
India ³	20.00	13.00	#	1200.00	359.00	#
Nepal ⁴	38.00	22.00	18.00	2095.00	[320.00]	689.74

Notes: 1. Export of garments and import of fabrics for ESCAP and export of LAA and import of lentil in case of ADB. 2. Export of orange and import of fruit juice in case of ADB. 3. Export of fabrics and import of rubber tyres for ESCAP; 4. Export of vegetable ghee and import of fabrics for ESCAP and export of carpet and import of CSO for ADB. [] indicate that the bracketed numbers are not comparable to those of DBD since they do not reflect the cost of moving goods to the nearest port; *DBD 2013 presents data for the year 2012 whereas the ESCAP (ARTNet) data were collected in 2010. #Bhutan was not considered in ESCAP study, whereas India was not considered for ADB study.
Sources: Calculated based on World Bank's DBD (2013), ESCAP (2011) and ADB country studies

Trade Facilitation and Transport Facilitation Needs

Modern and Efficient Customs Agencies

- Customs Automation & Modernization
 - EDI
 - Border Management
- Risk Management Systems (AEOs, pre-clearance)
 - RKC

Customs

- Customs
- Commerce
- Transport
- ITC

Streamlined and Transparent Regulations and Procedures

- NSW
- Simplified Paperwork/Procedures
- Interministry/Inter-agency coordination
- Laboratory Testing & Accreditation

Customs++

- Commerce
- Agriculture
- Standards Institute
- Border Check Points
- Transport
- Private Stakeholders

Enhanced Service Orientation

- Customs websites
- Trade portals
- Market access information
- Business Initiatives

Private Stakeholders

- Chamber of Commerce
- Traders
- Freight Forwarders/Truckers
- Logistics Operators/Shipping Companies
- Banks/Insurance

Transport Agreements


- SAFE Framework
- Supply Chain Security
- Harmonization of border operations
- Single-stops at borders
- Transshipment
 - RFID
 - Security
 - Immigration

Transport

- Transport
- BCPs
- Immigration
- Customs
- Regulatory Institute

New research agenda

1. Trade process and procedure – product- and corridor-wise (support paperless trade)
2. Trade facilitation and trade sophistication & diversification (build value chain upwardly)
3. Border management coordination and cooperation (treat the border as a single unit for trade purpose)
4. Regional economic corridor and
5. Production network and trade facilitation



Thank you
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