

United we stand, divided we fall

Infrastructural Impediments to Better Connectivity in South Asia

The Bangladesh, Bhutan, India and Nepal Motor Vehicles Agreement (BBIN MVA) is an initiative to integrate the BBIN region by facilitating smooth movement of passenger and commercial vehicles across countries in the region. CUTS International carried out a series of rigorous field surveys to get a first-hand perspective on the infrastructure in the region and major impediments to smooth trade. This Policy Brief presents these issues and also proposes the way forward to create an enabling environment for the successful implementation of MVA.

Introduction

The BBIN sub-region has strong cultural and economic linkages which would allow for rich connections in sub-regional connectivity, but these have not been materialised yet. The BBIN MVA is looked forward to as pioneering a period of enhanced trade connectivity, economic growth and prosperity within and between the countries of the sub-region. The introduction of BBIN MVA in 2015 and India's willingness to stimulate integration with concurring countries to its east is reflected through its engagement with the Bay of Bengal and Indo-Pacific regions.

A better understanding of the available infrastructure among countries in the BBIN region may be obtained from the ranking of individual countries in the Global Competitiveness Report.

A closer analysis of the rankings, in the report reveals that while India's overall rank is higher than others but Bhutan is a better performer in the areas of 'quality of electricity,' and 'internet services.'

The existing trade corridors within the BBIN sub-region are the most important components of the MVA. Hence, it becomes important to have a clear understanding of the available infrastructure along these routes. For this study, CUTS International surveyed 8 corridors that connect the BBIN and Myanmar sub-region.

In total, India shares 11 Land Customs Stations (LCs) with Bangladesh, Bhutan and Nepal. These are: Panitanki, Fulbari, Jaigaon, Changrabandha, Sonauli, Raxaul, Dadgiri/Hatisar, Daranga, Dawki, Petrapole and Agartala.

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Sl.no	Route
1	Kathmandu-Kakarvitta-Panitanki-Phulbari-Dhaka-Chittagong
2	Thimphu-Phuntsholing-Jaigaon-Changrabandha-Burimari-Dhaka
3	Lucknow-Gorakhpur-Sonauli-Bhairawa-Kathmandu
4	Kolkata-Raxaul-Birgunj-Kathmandu
5	Jaigaon-Gelephu-SamdrupJongkhar-Guwahati-Dawki-Tamabil-Dhaka
6	Kolkata-Petrapole-Benapole-Dhaka
7	Phulbari-Banglabandha-Rangpur-Dhaka-Chittagong
8	Agartala-Akhaura-Comilla-Chittaganj

The survey teams tried to understand infrastructural issues with reference to roads, warehousing facilities, parking lots at the border, minimum required infrastructure at LCSs to expedite the process of clearing and inspection, etc. Certain soft infrastructural indicators which include regulatory procedures, customs clearance operations, etc. were also considered for the same.

Main Findings

Unsuitable road conditions

During the survey, respondents noted that the bad condition of roads and bridges (both at the Border and Off the Border) is one of the major factors responsible for traffic congestion along corridors. There are significant variations in the capacity and quality of roads in the BBIN sub-region both within and across countries.

For instance, the road between Shillong and Dawki is in very poor condition. Similarly, the road

connecting Gorakhpur with Sonauli is only a two-lane road. Also, there are many old bridges, which need upgrading as they are not able to support larger vehicles. For example, the hanging bridge in Dawki-Shillong road can support only nine tonnes of weight and larger vehicles carrying goods unload their cargo before the bridge and then, it is carried to Dawki in smaller vehicles. This leads to high opportunity and marginal cost of trade through the Dawki-Tamabil LCS.

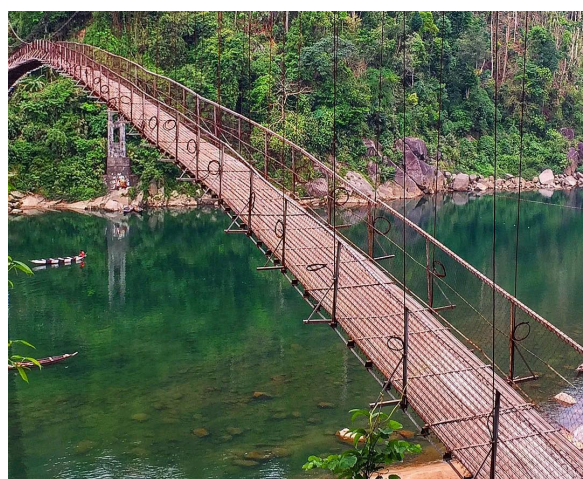
Narrow & Cracked Approach roads to LCSs

Most of the approach roads connecting highways with LCSs are in dire need of repair and maintenance. In many of the selected LCSs, the narrow and poor quality of approach roads is one of the major infrastructure concerns. These LCSs are: Jaigaon, Sonauli and Dadgiri/Hatisar, among others.

Low Availability of testing laboratories

There are no plant or animal quarantine (PQ/AQ) facilities at many LCSs due to which samples have

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to be sent to the nearest facility for testing, which is time consuming. For instance, there are no PQ/AQ facilities at Fulbari and samples have to be sent to either Siliguri or Kolkata for testing. This not only increases time and cost of transportation but also affect product quality in case of semi-perishable or perishable goods. Also, there are no testing laboratories near Jaigaon, Changrabandha, Dadgiri/Hatisar, Daranga and Dawki.

Absence of warehouses, cold storages and parking facilities at the border

There is a lack of warehouse, cold storage and inadequate parking facilities in most of the LCSs under consideration. At Fulbari, warehouse and truck parking facilities exist but these can accommodate only 150 trucks at a time. The Raxaul Integrated Check Post (ICP) is equipped with all facilities, such as scanners, cargo inspection sheds, restrooms and quarantine laboratory but these remain underutilised because the Nepal side of the ICP is incomplete.

At Petrapole ICP, there are many warehouses but they do not have any shutter system, which

impacts the storability and safety of products. Moreover, inadequacy of space at the Municipal or ICP parking at Petrapol has led to the growth of many private parking places which charge high prices from the truckers.

Irregular internet and power supply

Poor internet connectivity and power supply at land ports affect the proper functioning of the Electronic Data Interchange (EDI) system and entails massive obstacles for customs officials as well as for other agencies that are operating at border points. Since many LCSs are situated in remote areas, irregular electricity and internet connectivity is a problem for officials working there. Among the selected LCSs, Panitanki, Fulbari, Jaigaon, Sonauli and Daranga are the ones where these problems are acute.

Other Infrastructure Issues

Apart from these, there are certain soft infrastructural issues, such as complex regulatory procedures, inefficient customs clearance operations, asymmetries in information sharing at

various levels, ineffective transit agreements, and so on that may hinder the effective implementation of the BBIN MVA.

Firstly, due to political misunderstanding and lack of institutional and regulatory reforms, the BBIN and Myanmar sub-region is affected by the development of regional transit.

Secondly, each country has its own set of rules and regulations for customs procedures, which differ significantly. Another major problem is that countries do not have an effective mechanism of coordination.

Policy Recommendations

To address issues pertaining to infrastructural deficiencies at the border, a number of developments are necessary:

- Creation of ICPs with all infrastructural facilities available under one roof.
- ICDs or Inland Container Depots to be used as a single point solution, wherever available. It is vital that strategic locations be identified for setting up the same.
- While the governments in the BBIN countries are already working on strengthening roads

and bridges, problems such as land acquisition issues or lack of availability of required finances.

- There is also a need for harmonisation of rules and regulations across countries so that truckers entering one country from another do not face discrimination.
- There is also need for greater inter-ministerial cooperation as well as better coordination between Central and state agencies in and among BBIN countries.
- Implementation of Convention on International Transport of Goods Under Cover of TIR Carnets (TIR convention) may:
 - (i) provide higher security for cargo vehicles;
 - (ii) create an unified regional market access to other TIR members like China and Central Asian countries, over and above;
 - (iii) provide a higher degree of simplified procedures;
 - (iv) promote efficient circulation of information;
 - (v) lead to higher quality of risk management; and
 - (vi) ensure effective cross border coordination.

Benchmarking other regional connectivity initiatives and identifying areas of convergence may also be of significant use in dealing with infrastructural issues in the BBIN sub-region.

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