

Concluding Stakeholder Workshop Report
Non-Tariff Barriers to India-Bangladesh Trade in Agriculture
Friday, 10th August, 2018
The Claridges, New Delhi – India



(Workshop Participants at *The Claridges*, New Delhi on 10th August 2018)
New Delhi, India

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1. Background

- 1.1 CUTS International in support of USAID has conducted concluding stakeholder workshop to validate the findings of the study entitled “Non-Tariffs Barriers to India-Bangladesh Trade in Agricultural Products and their Linkages with Food Security and Livelihood” on 10th August, 2018 at The Claridges, New Delhi, India.
- 1.2 This workshop had the following objectives:
- To validate the findings of the study particularly related to the existence of barriers at the border (at selected land custom stations (LCSs) between India and Bangladesh only) and their linkages with the livelihood and food security.
 - To disseminate the study findings among stakeholders from government and private sector for necessary action.
- 1.3 Representatives were from various government organizations [Land Ports Authority of India, Agricultural and Processed Food Products Export Development Authority, Food Safety and Standards Authority of India, Government of West Bengal, USAID, US Embassy, USDA-FAS, DFID, British High Commission, Bangladesh High Commission, among others], private organizations & associations [National Accreditation Board for Testing and Calibration Laboratories, Local FPOs, Deutsche Post DHL Group, Federation of Indian Chambers of Commerce and Industry, Cargill India Private Limited, Federation of Indian Exports Organization, SunTeck Energy Systems, Sunara Ventures Limited, Srinivasa Rice Mill, HEIFER International, Calcutta Customs House Agent Association, Exporters & Importers, Journalist from Nashik, North East Federation of International Trade – Tripura, Calcutta Customs House Agent Association, Springboard Enterprises, West Bengal Fish Importers Association, among others] and academicians & Researchers (Pragati Abhiyan, Indian Council for Research on International Economic Relations, Institute for Studies in Industrial Development, among others).

2. Opening Session: Welcome and Introductory Remarks

- 2.1 **Mark Anthony White**, Mission Director, USAID in New Delhi said the bonds of U.S.-India-Bangladesh friendship have grown from strength to strength and today we

are enjoying the best of relations. He underlined that the bilateral trade between India and Bangladesh can be at least three times the current level of 9 bn USD and this potential can be realised by addressing existing non-tariff barriers related to standards, process, procedures and trade infrastructure.

- 2.2 **Bipul Chatterjee**, Executive Director, CUTS International said that the study is unique in a sense that it provides a ‘granular analysis’ of product- and port-specific issues that hinder cross-border agriculture trade. He categorically pointed out that farmers are not able to realise the benefits of trade because of various factors which include lack of marketing infrastructure, supply chain bottlenecks and extensive involvement of intermediaries. He further stated that we must look at global good practices of organising farmers into groups and adopt such models to our agricultural productivity as well as marketability. Drawing from the Japanese experience of ‘*One Village One Product*’ initiative, he emphasised on adopting ‘*One District One Product*’ as a mission to transform the Indian agriculture sector.



(Discussion in the Introductory Session on 10th August 2018)

- 2.3 **Rokebul Haque**, Deputy High Commissioner of Bangladesh to India said that the relationship between India and Bangladesh has improved significantly in the past few years. Both countries are committed for deepening economic and trade ties. Given that India is one of the fastest growing economies in the world and Bangladesh is graduating out of its least-developed-country status, time is to further strengthen this

bilateral cooperation. He emphasised that India and Bangladesh has a shared past, a shared present and we should see how to make our shared future a better one.

3. Session I: NTBs Affecting India – Bangladesh Bilateral Trade

- 3.1 The first session is chaired by **Anil Bamba**, Chairman, Land Ports Authority of India, and he invited **Surendar Singh**, Fellow – CUTS International to present the findings of the study related to NTBs. In the presentation, he stated that other than addressing policy-induced barriers such as export restrictions on agricultural products and infrastructure deficiencies at the LCSs, there is an urgent need to address gaps related to sanitary and phyto-sanitary measures and technical barriers to trade. Such issues can only be addressed through mutual recognition arrangements and conformity assessment procedures. He emphasised on shifting of clearance procedures from land ports to inland container depots, dry ports and bonded warehouses to ease congestion at land ports. In addition, some existing schemes such as direct port delivery, authorised economic operators can be introduced at land ports to expedite the clearance of imported cargo.



(Panellist of Session-I)

- 3.2 According to **Anil Bamba**, it takes only two days to clear a consignment at Agartala Integrated Check Post (ICP). However, the study offers fresh insights to the current

developments. He mentioned that the Government has already taken a number of initiatives to strengthen export infrastructure at land ports. *“The findings of this study will help us to take specific actions to improve the functioning of integrated check posts”*.

- 3.3 The chair invited the panellists to give their feedback on the study findings and ask them to share their views on the session theme. **Pritam Banerjee**, Senior Director-South Asia, Corporate Public Policy, Deutsche Post DHL Group, emphasised on customs clearance at exporters’ place. BBIN MVA will facilitate trade further. He said that homogeneity of standards is not feasible because every country has its own standards and these are fully compatible with WTO standards. Countries should find a cheap way to cover the required standards at low cost. Mutual Recognition Agreement (MRA) is a good solution which will save the cost and delay associated with inspection at the border.
- 3.4 **Nisha Taneja**, Professor, ICRIER, has highlighted the results of a study done on NTBs in 2015 and mentioned that it took two weeks to clear goods at the port (land port) at that time but at present it takes two hours for fish clearance and two days for other items through Agartala ICP. This is because of the development of LCS to ICP. We need to look whether there is discrepancy in standards rather than divergence of standards across countries. PQ stations should upgrade with the advance facilities such as Pest Risk Analysis to ease trade flows. In 2017, FSSAI has started recognising certificate issued by BSTI, Bangladesh. She also mentioned that stakeholders’ still prefer public testing facility rather than private one because of having ease in clearance at the border.
- 3.5 **Nahid Rashid**, Counsellor, Bangladesh High Commission, New Delhi shed light on standards related issues and emphasised that lack of clarity and transparency in SPS & TBT related measures hampering Bangladeshi exporters who are exporting to India. She has also mentioned about lack of cooperation among the authorities of both countries.
- 3.6 **Sangeeta Negi**, Deputy Director, NABL, has mentioned the non-availability of NABL accredited labs in the North East region of India and highlighted the need of accreditation in smoothing the trade process, particularly in case of agricultural items. She has praised the recommendation of mobile lab testing facility and recommended

an additional solution of in house laboratory. As per this concept, testing laboratory can be setup inside the factory which can help in facilitating trade of agricultural items. NABL has accredited Bangladesh testing lab for textile products which has the proper competence of testing in their country.

- 3.7 **Akhilesh Motawala**, Assistant Director (Imports), FSSAI, focusing on the recommendation section of the study and mentioned that they have authorised customs at land ports to clear the food products with a certificate by BSTI in Bangladesh. They have authorised BSTI labs to issue such certificate to export total 21 food products to India. On the other hand, FSSAI has recognised 162 labs and out of this only handful are government labs. Last month FSSAI has recognised one lab in Tripura for carrying out food imports from Tripura side. FSSAI has recently mapped 1470 HS codes pertaining to food category as per the categorization of customs and categorize all products under high and low risk categories because customs use risk management system for the inspection purpose. FSSAI has also extended the facility of AEOs to FPOs in India which will allow self-certification
- 3.8 **Peter Gauthier**, Private Enterprise Officer, USAID Bangladesh has mentioned that similar study has been conducted in Bangladesh and after the completion of the present study, USAID Bangladesh is going to collate the findings of two studies to make one comprehensive report. The final report will reflect the NTBs from both sides of the border and provide country-wise recommendations that need serious attention. At the end, **Geoffrey Wessel**, Trade and Connectivity Officer, Embassy of the United States of America in New Delhi, praised the findings of the study and emphasised that there is a need to prepare trade facilitation strategy to reap maximum benefits out of trade business.
- 3.9 The Chair has opened the floor and invited other workshop participants to raise their queries and concerns related to the presentation. Exporters from Tripura have raised their concerns about non-availability of testing labs at major land ports of Tripura and mentioned that they are losing in their business because of this reason. They have to go a long way to clear the goods at Agartala ICP. One stakeholder has raised the point of unnecessary delays and increased cost because of construction of ICP at Agartala. He has also mentioned that two weighbridges at Agartala ICP give two separate results of same consignment. At the end, the chair has sum up all the points and

mentioned that government of India is already issued a notification to upgrade most of the selected LCSs into ICPs which will be completed in the near future. He has also mentioned that ADB is funding Asian Highway Project under which four lane roads are being constructed which will connect Bangladesh, Bhutan, and Nepal with India.

4. Session II: Livelihood Linkages of Trade in Agricultural Products

- 4.1 The second session is chaired by **Sanjeev Chopra**, Director General, Administrative Training Institute & Additional Chief Secretary, Government of West Bengal and invited **Rahul Arora**, Policy Analyst – CUTS International to make a presentation on livelihood linkages of trade in agricultural products. He stated that the linkages between agriculture trade and farmers' livelihood are blurred due to existing information asymmetries. In order to address this challenge, there is the need to focus on improving the efficacy of agriculture supply chain through private sector engagement. It would help in improving the livelihood status of the farmers and they could enjoy the benefits accrued from trade activity. This will further attract more farmers towards trade activity which will enhance the overall quality of goods produced.
- 4.2 Adding to this, **Sanjeev Chopra** said that the essence of the study is that it has covered specific production centres and their linkages with exports. It provides a new thinking to policy-makers on how trade affects the livelihood of farmers, particularly small and marginalised ones. The study has clearly outlined the need for promoting *Border Haats* in border areas to facilitate cross-border transactions of local products, which has strong linkages with the livelihood of people living along border areas.
- 4.3 The chair invited the panellists to give their feedback on the study findings and ask them to share their views on the session theme. **Somi Hazari**, Managing Director, Shosova, Group of Companies, India has emphasised that seamless movement of goods require electronic filing system. Though many ports have EDI facility but bad internet and electricity services are hampering their proper functioning which are creating hurdle in the entire trade process.
- 4.4 **Aromal Jkoshi**, Commercial Head – Feedgrains, Cargill Agricultural supply Chain (India), highlighted that Bangladesh is ready to pay extra 15 USD per metric tonnes for grains and oil seeds import from India through land ports but due to high inefficiency cost, exporters are incurring 22-25 USD per metric tonnes loss while

exporting to Bangladesh. The removal of such inefficiencies will be beneficial for exporters as well as producers who will definitely get more money out of total profit earned from trade activity.



(Panellist of Session-II)

- 4.5 **Milind Murugkar**, Policy Researcher & Activist, Pragati Abhiyan, has mentioned the benefits of FPOs and organized farming practices in India which is providing many livelihood benefits to the farmers. For the effectiveness of FPOs, most important factor is the social capital (which helps all farmers to organize under one entity) and this can be built only if markets provide enough opportunities nearby. NGOs and private sector can play an important role in this area.
- 4.6 **Syed Anwar Maqsud**, Secretary, West Bengal Fish Importers Association has highlighted the hurdle faced in getting SIP certification for importing fish into India. For instance, fish importers in India have to visit Delhi to get the required SIP because the same facility at Kolkata is not allowed to issue such certificate. If this NTB will be removed then fishermen of Andhra Pradesh and of Bangladesh would be benefitted from the high trading opportunities between these two countries.
- 4.7 **S P Sharma**, Chief Economist, PHD Chamber of Commerce and Industry, has emphasised on the need to change the mind-set of the people of two countries to improve trade as well as people to people connectivity. **Mustapha El Hamzaoui**,

Director, Food Security Office, USAID, New Delhi, has mentioned that deeper economic integration is needed among the countries of South-Asia region. This study has investigated the reasons of low integration of two neighbour countries and highlighted that high trade cost is most responsible. The reason behind this high trade cost is existence of NTBs between two countries. Addressing these NTBs can lead to lower trade cost. On another objective of the study, he suggested that study should include the impact analysis to examine the impact of removing NTBs on poverty. It should also suggest the way to reduce the risks faced by the small farmers. Upcoming research should focus on more women participation in trade activities.

- 4.8 The Chair has opened the floor and invited other workshop participants to raise their queries and concerns related to the presentation. One stakeholder raised the concern of wastage involved in the entire supply chain and losses associated with it. At the end, the chair has sum up all the points and congratulated the CUTS International for successful completion of the study.

5. Wrap-Up and Takeaways

- 5.1 In the concluding session, **Simrat Labana**, Project Management Specialist (Agriculture), Food Security Office, USAID, New Delhi, underscored the importance of active engagement of private sector organisations in the areas of skill and infrastructure development to address technical capacity related gaps.
- 5.2 Adding to this, **Bipul Chatterjee** stated that there should be case studies on the functioning of farmer-producer organisations, small-farmers' agro-consortiums and farmer cooperatives in India to facilitate their direct participation in trade-related activities as that can help them get better price for their products. He finally said that CUTS is committed to take forward the study's recommendations to the relevant agencies in both countries and will keep a track of specific actions.
- 5.3 Mr. Chatterjee in his concluding remarks thanked all the participants for their valuable time and inputs on the study findings. He also thanked USAID for supporting this study and to all team members of CUTS International who have devoted their efforts to complete it. He assure all the participants that CUTS will take forward the findings of this study to the relevant departments for the necessary action and continue its efforts towards regional integration in South Asia.

6. Annexure I: List of Participants

Sl. No.	Name	Affiliation
1.	Debojyoti Guha	West Bengal Seed Association
2.	Syed Anwar	West Bengal Fish Importers Association
3.	Amrit Kumar Khatoniar	North East Federation of International Trade
4.	Geoffrey Wessel	Embassy of the United States Of America in India
5.	Somi Hazari	India TSG Transnational Strategy Group LLC USA Shosona group & Senior advisor India
6.	Ishrat Jahan	Asia, International Fertilizer Development Center (IFDC)
7.	Simrat Labana	USAID in India
8.	Rakebul Haque	Bangladesh High Commission, New Delhi
9.	Sudip Dey	Calcutta Customs House Agent Association
10.	Milind Murugkar	Pragati Abhiyan
11.	Dnyaneshw Ygale	agrowon
12.	Gautam Jain	Surana Ventures Limited
13.	Sravan Thallada	Srinivasa parboiled rice mill
14.	Peter Gauthier	USAID Bangladesh
15.	Shubhi Mishra Shukla	USDA-FAS
16.	Anil Kumar E.	SunTeck Energy Systems
17.	Srikant Behera	Bengal Beverages Pvt. Ltd.
18.	Sudeb Roy	The North East Federation of International Trade
19.	Ratnadip Paul	Exporter-Importer
20.	Dibyadip Paul	Exporter-Importer
21.	Shubhi Mishra	USDA-FAS
22.	Mustapha El Hamzaoui	USAID in India
23.	Monika Gulati	USAID in India
24.	Barnali Bhattacharjee	USAID in India
25.	Sangeeta Negi	NABL
26.	Nalin Rawal	NCML
27.	Anil Bamba	Land Port Authority of India
28.	Sanjeev Chopra	Administrative Training Institute, Government of West Bengal
29.	Akhilesh R. Motawala	fssai
30.	Santosh K. Singh	USDA-FAS
31.	Nahid Rashid	Bangladesh High Commission in India
32.	Amit Aradhey	USDA-FAS
33.	Mohit Sippy	British High Commission, New Delhi
34.	Pramod Dev M.	Dev Inc Pvt. LTD
35.	Mark White	USAID in India
36.	Varun Kulshreshtha	Federation of Indian Export Organisations (FIEO)
37.	Anajali Taneja	Federation of Indian Chambers of Commerce and Industry (FICCI)
38.	Supratim Banerjee	US embassy
39.	Yamini Srivastava	Springboard Enterprises (India) Pvt. Ltd.
40.	Bhupinder Singh	K.S. infosystems
41.	Aromal Jkoshi	Cargill

42.	R. K. Mondal	APEDA
43.	Indrajit Ghosh	Dynamic Outreach Pvt. LTD.
44.	Pramod Singh	FPO representative from Uttar Pradesh
45.	Saurav Mitra	FICCI
46.	Pranjit Talukdar	Heifer international
47.	Pritam Banerjee	DHL Group
48.	V. K. Vidhyarthi	APEDA
49.	Surendar Singh	CUTS-International
50.	Rahul Arora	CUTS-International
51.	Debolina Mukherjee	CUTS-International
52.	Sudip Kumar Paul	CUTS-International
53.	Vijay Singh	CUTS-International
54.	Ram Saran	CUTS-International
55.	Neha Shrivastava	CUTS-International
56.	Chandni Dawani	CUTS-International