

**Stakeholder Consultation Workshop Report**  
*Demystifying Non-Tariff Barriers to India-Bangladesh Trade in Agricultural Products and  
their Linkages with Food Security and Livelihood*  
**Tuesday, 19 June, 2018**  
**Hotel Hindusthan International, Kolkata – India**



**(Workshop Participants at Hotel Hindusthan International, Kolkata on 19th June 2018)**

**June 2018**  
**Kolkata, India**

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(Panel Discussion during the Workshop on 19th June 2018)

## 1. Background

1.1 CUTS International organized a stakeholder consultation workshop in support with USAID 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 19th June, 2018 at Hotel Hindustan International, Kolkata, India.

1.2 This workshop had the following objectives:

- To take valuable inputs from the stakeholders on the specific issues identified in the study. These issues are: NTBs to agricultural trade between India and Bangladesh, Bilateral trade and Food security issues; and the Impact of trade on livelihood of the Indian farmers.
- 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).

1.3 Representatives were from various government organizations [West Bengal’s Additional Chief Secretary; Deputy Commissioner of Customs-Preventive, Kolkata; Deputy Director, Plant Quarantine Department, Ministry of Agriculture, Kolkata] and private organizations & associations [Federation of Chamber of Commerce & Industry of North Bengal, Dakshin Dinajpur Chamber of Commerce, West Bengal; Calcutta Customs House Agent Association; South Asia Correspondent and Senior Editor, BD News; Malda Chamber of Commerce; Uttarbanga Sambad].

## 2. Opening Session

2.1 **Mr. Bratindra Bhattacharya**, Director CUTS International gave welcome remarks and started the event by highlighting the following points:

- India and Bangladesh are traditionally and culturally well connected with each other and this is beneficial in terms of further improvement in bilateral trade.
- He has also highlighted the work done by CUTS International on the workshop theme and invited Ms. Simrat Labana from USAID for her opening remarks.

2.2 **Ms. Simrat Labana** started with the introduction of USAID and its development motives over the world. She highlighted the impact of NTBs on bilateral agricultural trade in particular and to overall trade in general in terms of rising costs of doing trade and time

delays. She has emphasised on the motive of conducting this workshop and requests all the participants for their inputs on the study findings.

2.3 Mr. Bratindra Bhattacharya, Director, CUTS International invited **Mr. S.K. Mohapatra**, Deputy Commissioner of Customs (Preventive), Kolkata, and **Mr. S.K. Verma**, Deputy Director Plant quarantine Department, Ministry of Agriculture, Kolkata for their opening remarks. Mr. Mohapatra highlighted the World Customs Organization (WCO) norms on digitization of customs procedure and India's preparedness over it. He mentioned that these WCO norms will enhance data security and quality of other business related information along with ease of doing business. He has also mentioned many measures related to trade facilitation which India has already introduced at many ports (EDI system at many ports, AQ/PQ station facilities at land ports, among others). He emphasised on SPS related barriers which are major NTBs and also highlighted the need to harmonize standards among the two countries. He made a point that although infrastructural barriers (road congestion, absence of testing laboratories, inadequate parking space, and inadequate warehousing facility) could be overcome in the long run but we have to change our mind-sets. Many ports are EDI declared but there are inadequacies in the resources required for proper running of the system. For example, in Fulbari LCS, no private company wants to come and provide broadband connection which makes the EDI system non-operational. He also mentioned that it is not possible to have laboratory at each customs station but the other types of infrastructural deficiencies can be taken care of. He raised the point that if we are serious about the facilitation then let us take it as a challenge and come forward to face it.

2.4 Mr. Verma has pointed out the existing steps taken by government of India related to establishment of quarantine stations (Plant Quarantine) at selected LCS of India (Mohedipur, Chengrabandha, Ghajadanga) to facilitate bilateral trade further. He has emphasised the need for checking from the starting of supply chain i.e. from production to the storage. If storage is done properly i.e., at clean place, then the chances of rejection while exporting to other countries will be reduced. The session ended with introduction of all the participants. Mr. Verma highlighted that PQ station is there in Bongaon and in working condition. He mentioned that we should ask exporters to check fumigation and other things before sending their consignment to other countries. He has also emphasised on checking the cleanliness of godowns, containers, trucks to reduce the frequency of rejection. Mr. Verma has pointed out that in the year 2017, PQ station activity at Mohedipur, Hili, Ghajadanga has been sanctioned. Agartala was also visited by agriculture authorities last month and asked the

customs to conduct a meeting and send the estimate of number of employees and resources needed to open PQ station.

### **3. Panel Discussion: India – Bangladesh Agriculture Trade: NTBs & Livelihood Aspect**

#### **3.1 Presentation on Summary Findings**

**Mr. Rahul Arora**, Policy Analyst, CUTS International presented the summary of the study on “Demystifying Non-Tariff Barriers to India-Bangladesh Trade in Agricultural Products and Their Linkages with Food Security and Livelihood” and requested all the participants to share their views on the study.

**Mr. Sanjeev Chopra**, Additional Chief Secretary, Government of West Bengal chaired the session. Other Panellists included Mr. SK Mohapatra, Mr. SK Verma, Mr. Sudip Dey, Mr. Biswajit Das, Mr. Subir Bhounik, Mr. Ujjal Saha, Mr. Brindaban Ghosh, and Mr. Susanta Guha.

#### **3.2 Panel Discussion**

The chair invited the panellists to give their feedback on the study to further improve the contents of the report. He started by saying that the problems identified in the study are functional and can be easily removed by promoting greater coherence between traders of both the countries.

**Mr. Sudip Dey**, Vice President, Calcutta Customs House Agent Association started the panel discussion and highlighted that vision of customs are changing in today’s world. They are not acting as regulators but have also become facilitators. They have to provide the necessary facilities for which they are committed to. There is a lack of communication among different agencies involved in trade business. The Customs Clearance Facilitation Committee (CCFC) which has been set up at every Customs seaport and airport, this kind of forum should be setup at each LCS to resolve the coordination issues among different agencies. Member from state governments should be there as a participant to know the problems associated with them that can be solved through state efforts. We need lot of dialogues to resolve the existing problems related to functioning of customs. He also requested exporters and importers to choose right partner (CHA & C&F agents) to do their business. They should know the exact procedures and the latest technologies involved in trade business to ease the trade process.

**Mr. Biswajit Das**, Secretary, Federation of Chamber of Commerce and Industry of North Bengal restricted his speech only to four LCS situated at North Bengal: Chengrabandha, Fulbari, Hili, Mohedipur. He mentioned that there is no arrangement of plant Quarantine station at the ports mentioned and the nearest Plant Quarantine Station is in Kolkata. This is not only delaying the movement of cargo but also increasing the cost. Moreover, there is no Central Food Testing Laboratory in North Bengal which has exacerbated the problem as the loaded vehicles are stranded for hours for procuring test Certificates. Recently, Food Safety and Standards Authority of India (*fssai*) has issued an order that Test Analysis Certificates issued by the National Food Testing Laboratory, Bhutan shall be accepted by the Indian authorities. He suggested to adopt a similar system in case of Indo–Bangla Trade.

Establishment of truck terminus, warehouses, cold storage & cold chain at these ports is also needed to increase the volume of exports of agricultural products. The connecting roads from National Highway to all the ports are in deplorable condition and need repair and up-gradation at the earliest, keeping in view the need to facilitate the movement of high capacity cargo vehicles. All the ports referred are manually operated and for this reason, the stakeholders have to wait for a long time for completing customs formalities. It was suggested that these ports be upgraded to EDI ports to save time and undue expenses. Facilitating paperless transactions should also be considered. Further, installation of scanner machine at all the ports is very essential for easy movement of cargo. In the Bangladesh side, the number of scheduled holidays are much more than on the Indian side and as a result exports from Indian side are suffering as loaded vehicles get stranded and for which stakeholders have to pay huge demurrage and the problem gets percolated in case of agricultural products because a major portion of it is perishable in nature. So, a rational policy should be adopted in consultation with the Bangladeshi part for synchronizing the holidays.

Mr Das further added that despite agriculture being one of the biggest contributors in our GDP, we have failed to formulate a concrete and result oriented agricultural policy keeping in mind the strength and weakness of different regions of the country. A centralized agricultural policy is the need of the hour to get optimum mileage and unlock the hidden potential of agricultural sector. The issue of agricultural marketing has to be addressed in a more pragmatic and professional manner which demands an immediate redressal staying within the framework of the centralized agricultural policy. At the end, he raised the point that the stakeholders are facing immense problems because of various syndicates with political

patronage and extortion which, at times leads to law and order problems. The local administration along with BSF and customs authorities should initiate immediate steps to make sure that such problems are settled at the earliest.

**Mr. Subir Bhoumik**, South Asia Correspondent and Senior Editor, BD News highlighted the problem of syndicates and middlemen in trading activity as well as agriculture marketing activity. There are issues with land acquisition which hampers construction of new ICPs. He also emphasised that more Indian investment should go to Tripura. PRAN, a Bangladeshi Company, has invested in Tripura but no Indian company has invested there. He calls greater Indian investment in Tripura for its development. We need to create value chains near the borders. He also mentioned that Mizoram is a Ginger producing hub but there is no industrial procurement and because of this reason farmers are reluctant in producing it. He has highlighted that more *Border Haats* should be open across India-Bangladesh border.

**Mr. Ujjal Saha**, President, Malda Chamber of Commerce, West Bengal while talking about Mohedipur LCS mentioned that the growing disputes in security aspects and a subsequent increase in anti-social activities are hampering the overall trade. The need for a Government-run parking mechanism has been significantly highlighted. Absence of an Integrated-Customs clearance process at the Bangladesh side also acts a major impediment in optimizing cross-border trade through this particular LCS. As per Mr. Saha, there is an immediate requirement for revising the current regulation pertaining to Transitional Arrangements that the countries follow. Exporters often face difficulties in exporting an already processed foreign buyer-consignment (re: Bangladesh) due to temporary (sudden) changes in import policies (either in the form of increasing import tariff rates or levying a temporary halt in importing a particular commodity) on part of the importing country. Agricultural (rice, maize, wheat, cattle-feed, poultry-feed etc.) and other perishable product-consignments experience catastrophic effect in this regard.

He mentioned that Mohedipur and Hili LCSs are already EDI-notified; the same is yet to be operationalized. Although ports like Mohedipur and Chengrabandha are already notified by the plant quarantine (PQ) department for setting up operational structures, Government should be more strategic in installing PQ facilities at Malda which acts as the zonal customs division. Malda is geographically viable: Mohedipur and Hili LCSs are in close proximity; Singhabad rail port in Malda and Radhikapur rail port in Dakshin Dinajpur is also within touching distance. Thus, the location is expected to cater multiple land ports at the same time.

Suggesting strategic location to set up one PQ facility catering many points could be a good recommendation from the entire study.

**Mr. Brindaban Ghosh**, Executive Member, Dakshin Dinajpur Chamber of Commerce, West Bengal pointed out that Indians are emotionally well connected with Bangladeshis. In case of India-Bangladesh Trade, no product promotion is there. Both countries are facing packaging issues. He mentioned that Dinajpur does not have cold storage and warehouse facilities. Awareness programs should be conducted at Dinajpur to make farmers and small producers aware about the export procedures. There is a need for eliminating the middlemen which grab most of the profit.

**Mr. Susanta Guha**, Reporter, Uttarbanga Sambad has highlighted the existing problems of Chengrabandha LCS only. There is no arrangement of PQ station at the port and nearest PQ station is in Kolkata. He proposed the establishment of a processing unit in North Bengal which enables them to export processing products instead of raw agricultural products. This will increase the employment opportunities and value addition and also increment in total volume of trade. He also emphasised the installation of scanners and EDI system for paperless exchange of information. He also highlighted the need for other infrastructure such as: truck terminus, connecting road, cold storage and cold chain facility, among others for locally produce agriculture items.

### 3.3 Open Floor Discussion

**Mr. Syed Anwar Maqsood**, Secretary, Fish Importer's Association, has highlighted that Fish is importing only from Petrapole. He mentioned that before the year 2004, fish imports have been stopped through every port because of Sanitary Import Permits (SIP). His association were quite instrumental at that time and the imports have started through Petrapole border. Since, Ghajadanga and Petrapole are very near, his association advised against opening new AQ office in Ghajadanga. Petrapole station will work for both ports. Moreover, he mentioned that the Agartala AQC station (new) is already operational and we are importing fish from that port as well. He has highlighted that fish imports have been stopped through Chengrabandha since 2004 because of unavailability of AQC station. In the 2012, Bangladesh put a ban on exports of Hilsa fish and since then Hilsa fish is not coming to India through any of the port. This ban is significantly affecting the volume of total fish imports into India from Bangladesh but otherwise they are easily importing fish through Petrapole and Agartala ICPS. In North Bengal, he recommended the opening of AQC station

at Fulbari because of its proximity to Siliguri. He mentioned that they have already submitted their application mentioning the requirements to the government which includes one AQCS at Fulbari.

**Mr. Biswajit Das** pointed out the FSSAI regulation of accepting state certification for Bhutanese products in India and raised the question of possible replications of similar practice in case of products being traded between India and Bangladesh. To this, Mr. Chopra highlighted the theory of reciprocity at larger policy levels wherein countries with similar strategic platforms have greater mutual recognitions and acceptance for one another.

Representatives from Jalpaiguri Small Tea Growers' Association highlighted the future prospects of exporting tea leaves across countries. They opined that we need to provide adequate infrastructural facilities to small farmers so that they can directly involve in trade activities. Their association has done similar kind of work and capacitated small tea growers (members) with adequate infrastructural amenities and good quality practices for their direct involvement in export activity. Mr. Subir Bhowmick opined e-commerce as the most viable solution towards approaching this issue.

Mr. Verma asked CUTS International to *draft a letter mentioning the inadequacies in the existing infrastructure and submit to him for appropriate action*. At the end, Mr. Sanjeev Chopra appreciated the work conducted under this study and quoted that “this study provides the template to highlight the real problems faced by the stakeholders’ involved. There are many other related issues which are not yet covered under this study and those issues are particular to stakeholders’ and they need to think upon. We should collectively come forward and look into ourselves where we lack and improve so that overall trade can be facilitated”.

#### **4. Summing Up and Way Forward**

4.1 Overall, the discussion in the entire workshop was very productive and provided valuable inputs for the improvement of the study. The discussion validated many of our study findings and also pointed out the steps already taken by the government to resolve some of the issues.

4.2 Ms. Labana in her concluding remarks also pointed out that the focus should be on giving specific and feasible recommendations instead of giving general ones so that they can be implemented in the short run. Many required facilities are spreading their footprints over the time. There is a need to view borders as trade/economic zones and not only from the security point of view.

4.3 In his concluding remarks, Mr. Bhattacharya thanked all participants (stakeholders ‘and researchers) for their valuable inputs and the USAID for supporting this study. He mentioned that CUTS will consider these inputs while finalizing the study report and keep them informed on future developments with regard to this work.

## 5. Press Release of the Event

The press release of the event can be accessed here:

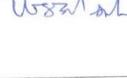
- 5.1 <http://snip.ly/pp7182/#https://nenow.in/north-east-news/eliminate-non-tariff-barriers-boost-indo-bangla-trade-cuts-report.html>

## 6. Annexure I: List of Participants

### Stakeholder Consultation

Demystifying Non-Tariff Barriers to India-Bangladesh Trade in Agricultural Products and their Linkages  
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