

**Stakeholder Consultation Workshop Report**  
*Demystifying Non-Tariff Barriers to India-Bangladesh Trade in Agricultural Products and  
their Linkages with Food Security and Livelihood*

**Tuesday, 3<sup>rd</sup> July, 2018**

**Hotel Sonar Tori, Agartala – India**



**(Workshop Participants at Hotel Sonar Tori, Agartala on 3<sup>rd</sup> July 2018)**

**July 2018**

**Agartala, India**

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**(Panel Discussion during the Workshop on 3<sup>rd</sup> July 2018)**

## 1. Background

1.1 CUTS International with the local support from Tripura Chamber of Commerce 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 3<sup>rd</sup> July, 2018 at Hotel Sonar Tori, 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 [Superintendent of Commerce, Office of the Assistant Commissioner, Customs Division, Agartala; Assistant Director, Department of Horticulture, Government of Tripura; Assistant Director, Food and Civil Supplies & CA, Government of Tripura], private organizations & associations [President Tripura Chamber of Commerce; President, Tripura Industrial Entrepreneurs; Vice President, North East Federation of International Trade; Assistant General Manager, PRAN Beverage India Ltd.; Assistant Manager, NEDFi] and academician (Professor & Head, Department of Economics, Tripura University).

## 2. Opening Session

2.1 **Mr. Bratindra Bhattacharya**, Director CUTS International gave welcome remarks and started the event by highlighting the importance of Tripura in enhancing the trade between India and Bangladesh. He also mentioned the potential benefits of addressing NTBs through Agartala port to Tripura in particular and India in general. 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. She also requested to maintain such dialogues for better future integration.

2.3 Mr. Bratindra Bhattacharya, Director, CUTS International invited **Prof. Ashish Nath**, Head of the Department, Department of Economics, Tripura University and **Mr. M.L. Debnath**, President, Tripura Chamber of Commerce for their opening remarks. Prof. Nath highlighted the interesting aspect of Tripura-Bangladesh case and calls it as Intra-regional trade (trade within Bengalis). He has highlighted that trade cost has been increased because of construction of Agartala ICP. He suggested that don't apply India level policies on Tripura because Tripura is like a child and it needs special and separate treatment. He has highlighted that the state has its name in the states of highest literacy rate but most of the capital flies from the state and this problem persist in the entire North East India.

2.4 Mr. Debnath has started by opposing the construction of ICP and emphasised to conduct prior feasibility study for any such investment. He has also worried about the high rates of tariff charge by Bangladesh on Indian products.

2.5 **Presentation on Summary Findings: Mr. Rahul Arora**, Policy Analyst, CUTS International presented the summary findings 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.

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

3.1 **Prof. Ashish Nath**, Tripura University has chaired the session. Other Panellists included Mr. M L Debnath, Mr. Subrata Roy, Mr. Sudeb Roy, Mr. Banibrata Chakraborty, Mr. Debasish Choudhury, Mr. Susanta Banerjee, Mr. Anjanabha Majumder, and Mr. Subhradip Barman.

3.2 **Panel Discussion:** The chair invited the panellists to give their feedback on the study to further improve the contents of the report.

**Mr. Debnath**, started the panel discussion and highlighted that Tripura is geographically connected with Bangladesh and because of this reason government of India should make separate and more focussed policies for this state. He highlighted that cost of agricultural products including potato is very high in Agartala comparing to other Indian states like West Bengal. In Tripura, land is not sufficient for agriculture and because of this state's own production is inadequate. In Bangladesh, particularly in Narsingdi District, which is 30 kms from Agartala, agricultural production is huge and traders may easily bring agricultural commodities from there. Indian government need to understand the local demand and allow the local population or traders to get potatoes and other vegetables from Bangladesh. This is restricted because of SPS issues. He also mentioned that in Agartala ICP, the operational cost of trading is very high which needs to be reconsidered by the LPAI and CWC. He has highlighted the high charges charged by the CWC at Agartala land port. Further, he mentioned that there is no point of ignoring the Illegal trade between these two countries and we have to take steps to legalise this to reap maximum gains out of it. At last, he emphasised the importance of getting transit facility for Tripura through Bangladesh through which one can easily connect to Kolkata.

**Mr. Subrata Roy**, President, Tripura Industrial Entrepreneurs talked about the fruit speciality of Tripura and pointed out that due to huge production of Rubber, we have damaged our agricultural land. Earlier, Tripura had huge agricultural potential for Pineapple and Jackfruit but nowadays many farmers have been shifted to rubber production. They have also left cultivating vegetables. Government of Bangladesh put port restriction on Rubber import from Tripura borders and because of this rubber producer are facing huge losses. Further, he added that there is no processing unit available for Pineapple/Jackfruits production. Government tried to open such facility at Kumarghat, North Tripura but due to some technical problems, the facility does not come into existence. There is a huge production of Banana (SOBRI BANANA) in Tripura and this variety is available only in Tripura. But due to poor connectivity, Tripura cannot access other Indian market and due to port restriction they cannot export to Bangladesh. Access to Chittagong port will also help Tripura to get access of other markets in South and South East Asia to sell all those products in different markets.

**Mr. Sudep Roy**, Vice President, North East Federation of International Trade highlighted the role of NTBs behind untapped trade potential between Tripura and Bangladesh. He has shared one of his experiences related to imports of Potatoes from Bangladesh. In 2002, he failed to import Potatoes from Bangladesh because of PQ issue from Shilong side. They also reported that Potato is restricted commodity. Pest Risk Analysis (PRA) needs to be done through Ministry of Agriculture, Government of India to import potato and vegetables from Bangladesh. Other than NTBs, another major barrier is tariff barrier by Bangladeshi side. Due to huge import tariff, Indian Exporters from Tripura are unable to export to Bangladesh.

**Mr. Banibrata Chakraborty**, Superintendent of Commerce, Office of the Assistant Commissioner, Customs Division, Agartala emphasised that by importing from Agartala port, Indian government is not earning anything because of zero tariffs and emphasised on improving exports from Tripura to Bangladesh. There is a huge potential of Pineapple, Jackfruits, and Banana to export. He has highlighted the high tariffs by Bangladesh on Indian products.

**Mr. Debasish Choudhury**, Assistant Director, Department of Horticulture, Government of Tripura mentioned that there is a huge scope for exports of horticultural products. Tripura government has taken lot of initiatives to improve the volume of production. Recently, Tripura Government has also undertaken different promotional activities to export Pineapple in other countries. Government is also thinking to set up pineapple processing units as there is a huge demand of pineapple juice in the world market and it will help to create opportunities for local people. We also need to ensure that imported potatoes from Bangladesh will be used only for human consumption and not for cultivation.

**Mr. Susanta Banerjee**, Assistant Director, Food and Civil Supply & CA, Government of Tripura suggested adding the angle of agriculture dependency on weather in the study. Also, the study should consider the effect of change in exchange rate of Indian rupee against dollar and its impact on bilateral trade of India and Bangladesh.

**Mr. Anjanabha Majumder**, Assistant General Manager, PRAN Beverage (India) Ltd. has highlighted his concerns. In his own words, there is a quota free and duty-free trade agreement between India and Bangladesh, but practically when we are trying to import any commodity from Bangladesh, we are unable to do it because of several NTBs. This is a big

opportunity loss. In case of export, we have tried to export Tamarind in Bangladesh, but due to port restrictions it has not done. Poor Banking infrastructure is one of the barriers. There is no proper mechanism for INR-BDT exchange. Due to this, most of the traders depend on illegal exchange of currency (those who are not dealing with LC). There is a need for official INR-BDT exchange mechanism for trade.

The Chair has opened the floor and invited other workshop participants to raise their queries and concerns related to the workshop theme. Many participants raise the common point of not having PQ/AQ facilities at most of the land ports of Tripura and they raise the need of the same to export Bamboo made products and import of fish related items, particularly from Khwai and Srimantapur LCSs in Tripura. Few small importers of fresh or chilled fish, frozen fish, and dry fish pointed out that they have invested in their business through Khwai LCS at times when the import of such products are allowed through this port. But suddenly because of one notification, imports of such items from Khwai LCS has banned and since then they are facing losses because it becomes costly for them to do the imports through Agartala port. They have written the same to Central government but after the feasibility survey of some officials of Kolkata, nothing has happened. They requested to raise the same to the concerned government for necessary action (they want PQ/AQ facility at Khwai LCS).

Participants also highlighted the benefits of open border in terms of availability of low priced vegetables at other side of the border. The same thing is confirmed by CUTS officials by referring the existing study on consumer gains from bilateral trade between India and Bangladesh, particularly from Tripura side in specific agricultural commodities. They have mentioned that both countries have natural complementarities in terms of producing goods and there exist possibility of exchanging them. Given the geographical proximity, similar culture and consumption pattern, it makes economic sense to trade in agricultural and other products across borders, particularly the vegetables (Potato, Tomato, Green Chilli, and Brinjal). In case of free trade, residents of Agartala will get the same types of vegetables at cheaper rate than the existing selling price of the same type of vegetables which comes from West Bengal and other areas of India. Participants emphasised to highlight all such issues in the final report.

Participants have also raised the issue of changing Bangladeshi regulations on product packaging coming from India side. They have mentioned that Bangladesh change its regulations related to product packaging in a very short time and because of that our

exporters suffer. In the last year, Bangladesh has made it mandatory to use jute bags for packaging of some export items. This move is against the Indian move of applying anti-dumping duty on imported jute from Bangladesh. They have emphasised that Bangladesh should avoid such practices because it negatively affects the volume of trade.

At the end, the chair has sum up all the points and highlighted the main three factors responsible for low trade of India to Bangladesh from Tripura side. Those are: port restrictions by Bangladesh; high rate of tariffs by Bangladesh on Indian products; and absence of testing facilities at most of the land ports of Tripura. He has also highlighted the Indian restrictions on imports of vegetables from Bangladesh due to SPS regulations. He has highlighted that though sub-optimal trade infrastructure is a main concern but other factors such as regulatory barriers, non-harmonisation of standards and certification requirements across borders, lack of institutional and stakeholder capacity, among others also negatively impact trans-boundary cooperation and exchange. One has to deal such issues simultaneously to improve the volume of bilateral trade between two countries.

#### **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 raised many policy level issues which further require attention.

4.2 Mr. Bhattacharya in his concluding remarks 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. Annexure I: List of Participants

Demystifying Non-Tariff Barriers to India-Bangladesh Trade in Agricultural Products and their Linkages with Food Security and Livelihood  
Tuesday, July 3, 2018 Hotel Sonar Tori, Agartala

REGISTRATION SHEET				
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13	SUBRATA RAJ Exp. LPP	Tripura Road Agartala	9436121053	Subrata Raj
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15	Minal Kaula Das EXP - Import	M/s Minal Sausib Durgabadi Road Agartala	9436121047	Minal Das

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24	Shibapriya Dey	NEFIT	9436124485	Shibapriya Dey
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29	Debasish Choudhury	Dept. of Garments Agartala	9436189703 cdebasish57@gmail.com	Debasish 03/07/18
30	M. L. Debnath	TCCI	9436121023	03/07/18

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32.	S. Parmita Mis	SONAMIS EXPORT/IMPORT ASSOCIATION	9436502152	[Signature]
33.	Sumantra Bhow.	CUTS	9725621680	[Signature]
34.	Simul Rn. Choudhury PST	Consumers' Protection Association 29, Central Road Agartala	9436502479	03.07.18
35	A.NJ ANAGHA MAJUMDAR		8259949021	[Signature]

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36.	Sougat Paul Palm olein oil (Fresh)	Sougat Paul	9089101640	[Signature]
37	Dibankar Paul (Freshoil)	Dibankar Paul	9863153340	
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