

Short haul trade through mechanised boats

A Case of Dhubri and Chilmari

Mechanised boats (*but-buti*) are the vital mode of transport in Assam and Bangladesh wherein the river Brahmaputra traverses the landscape with numerous channels and river islands. However, these boats (carrying goods and passengers) ply within the national boundaries and are never allowed to cross transboundary water borders.

Under the Protocol on Inland Water Transit and Trade (PIWT&T) between Bangladesh and India, big vessels carrying goods are allowed to ply between two countries but often face challenges due to comparatively low navigable depth, absence of return cargo and limited number of vessels. Including mechanised boats under the ambit of protocol to carry short haul cargo across border would facilitate goods transport even in low navigable depth.

This, in turn, will promote an enabling environment for the local people to take part in the developmental process thereby improving their socio-economic status.

Context

The PIWT&T between Bangladesh and India has been operational since 1972, allowing cross-border trade and transit facilities on international waters. Under this, two governments have agreed to make use of waterways for commerce between two countries, between two places within a country, and to third countries through the territory of other.

At present, cross-border trade through inland waterways is actively happening through the Kolkata-Silghat route (Protocol Route 1) and mostly across the lower stretch from Kolkata to Narayanganj with regular movement of fly ash.

Why Dhubri and Chilmari?

- Last custom stations in both countries along Protocol Route 1 & 2
- Vibrant inland water transport system
- Thousands of small mechanised boats
- Poor socio-economic background
- High prevalence of poverty (72 per cent in Chilmari and 41 per cent in Dhubri)
- Possibilities of transboundary cooperation at local level

However, the upstream stretch of this protocol route remains dormant except for the movement of project-based over dimensional cargo (ODC) from Kolkata to upper Assam, once or twice in a year. Year round navigation is a challenge for plying big vessels in the upper stretch of Protocol Route 1 because of high sedimentation and low navigable depth during lean season.

In contrast to irregular movement of big steel hull vessels catering to the organised sector, small mechanised boats in the unorganised sector are major means of transport at the remote border locations of Assam and Bangladesh. However, these boats carrying passengers and commercial goods ply within the borders of respective countries and are not allowed to cross the border along the protocol route.

Hence, CUTS International undertook a study in Dhubri (Assam) and Chilmari (Bangladesh) to explore the prospects of cross-border trade via small mechanised boats

and its possible effects on local livelihoods. These two locations are the last river ports of the either country, and declared customs and immigration points of each country. The vessels passing through protocol routes and transiting between India and Bangladesh have to report at these two points and complete immigration and customs formalities before crossing over from one country to another.

Almost the entire produce of South Garo hills in Meghalaya is transported to Dhubri market by small mechanised boats. Similarly, all produces from the *Char* areas of Brahmaputra and from the south

bank of Brahmaputra in the Bangladeshi side are taken by small mechanised boats to the Kurigram market.

Both out-bound cargo from South bank and the *Char* areas, and in-bound cargo to south bank and the *Char* areas (like fertiliser, pulses, medicines, grocery items and finished household goods) make use of small mechanised boats in Dhubri and Chilmari. Trade across the border would lead to new market access opportunities for producers and consumers living in both locations.

CUTS study identified that from India, coal, boulders/stones, rice, ginger and betel nut are major commodities that are exported to

Bangladesh, mostly through the land customs stations (LCSs) in Golakganj, Mankachar and Mahendraganj. Of these, Mankachar and Golakganj are closer to Dhubri.

From Bangladesh, cotton waste, jute, textiles and plastic goods come to India. Currently, ginger and other

fruits produced in Garo hills go to Bangladesh mostly through Mankachar and Mahendraganj. For such products, Hatsinghimari is the closest terminal which is in between the river route from Dhubri to Chilmari and not a notified custom station as of now. The distance between Dhubri and Chilmari is around 60 km and it will take 5-6 hours to reach Chilmari whereas the return trip will take about 8-10 hours.

The origin and destination of most of the commodities imported/exported to Bangladesh is Dhaka. Chilmari being agriculturally active area, potato, jute and maize can be exported to India.



Similarly, coal from India can be supplied to the brick kilns of Chilmari and bricks can be exported to India. Thus, allowing cross border trade using mechanised boats would have positive implications on the socio economic status and local livelihoods

in predominantly backward areas, such as Dhubri and Chilmari. However, there are some regulatory and infrastructural challenges that need to be addressed to facilitate cross border movement of mechanised boats.

Policy Recommendations

Change Agents	Course of action	Remarks
BIWTA IWAI	<p>Amendment of PIWT&T</p> <p>As per Article 23.2 of the existing protocol, there is provision for transshipment of cargoes from vessels to shallow draft vessels.</p> <p>As a trial case, registered mechanised country boats having permissions from competent authorities, may be allowed to ply between Dhubri and Chilmari (a stretch of 60 km) following all norms of the protocol but with moderate considerations regarding documentations, such as registration and survey</p>	<p>The following addendum is proposed in the protocol:</p> <p><i>“The operators having registered mechanised country boats and enrolled with IWAI & BIWTA shall also be allowed to tranship cargoes from Dhubri to Chilmari and vice versa under the supervision of custom authorities of both the countries.”</i></p>
BIWTA IWAI	<p>Registration of mechanised boats in Bangladesh</p> <p>As per the protocol, vessels plying on the protocol route has to be registered under Inland Shipping Ordinance of Bangladesh (1976).</p> <p>Owing to the complexities for registering under the above act, a lenient view may be taken by the authority.</p> <p>IWAI & BIWTA may jointly decide the minimum standard and dimensions of mechanised boats and availability of minimum equipment on board. This should be followed while providing permissions.</p>	<p>The country may entrust the local government (Upazilla Parishad) to undertake the registration (in consultation with boat associations and BIWTA) and issue a permit number and fitness certificate to a limited number of mechanised boats that are having documents like clear ownership, identification proof of the owner, good vessel condition and have engaged boat operators with certificate of competency to ply between Chilmari of Bangladesh to Dhubri subjected to clearance by the Indian counterpart.</p>
Inland Water Transport Department/ Municipality/	<p>Registration and survey of vessels. Other infrastructure like approach road, warehouse and cold storage etc.</p>	<p>In India, the registration is done by Assam Inland Transport Department. The Union Parishad or local government institution or any other agency as the</p>

Change Agents	Course of action	Remarks
Union Parishad, (Bangladesh)		government may consider can take up vessel registration in Bangladesh.
Boat Owners in India and Bangladesh	Apart from registration and inward/outward permission issued by IWAI/BIWTA, the boats will have to adhere to the stipulations of custom formalities.	The manning personnel should carry certificate of employment/permit with photograph duly authenticated by concerned officials. Certificate of experience for the master and the driver from the competent authority. Boxed chamber for customs sealing
Central Board of Indirect Taxes and Customs, (Ministry of Finance, India) Bangladesh Customs, (National Board of Revenue, Bangladesh)	Department of Customs in India as well as Bangladesh have to notify the commodities that can be traded through Dhubri and Chilmari custom points.	Preference should be given to commodities that are of local demand in Dhubri/Chilmari and nearby areas.
Directorate of Plant Protection, Quarantine and Storage, Ministry of Agriculture and Farmers' Welfare, India; Plant Quarantine Wing, Department of Agricultural Extension, Bangladesh	Plant quarantine stations are to be located near Dhubri and Chilmari in case agricultural products are traded through these points.	
Ministry of External Affairs, India; Ministry of Foreign Affairs, Bangladesh	The respective ministries will have a facilitating role as allowing movement of small mechanised boats (20-50 tonne capacity) to improve cross border trade will lead to transboundary cooperation at sub national level.	

This Policy Brief has been published under the project entitled, 'Expanding Tradable Benefits of Trans-boundary Water: Promoting Navigational Usage of Inland Waterways in Ganga and Brahmaputra Basins' implemented by CUTS International with the support of The Asia Foundation.

D-217, Bhaskar Marg, Bani Park, Jaipur 302 016, India. Ph: +91.141.228 2821, Fax: +91.141.228 2485

E-mail: cuts@cuts.org, Web: www.cuts-international.org

Also at Delhi, Kolkata and Chittorgarh (India); Lusaka (Zambia); Nairobi (Kenya); Accra (Ghana); Hanoi (Vietnam); Geneva (Switzerland); and Washington DC (USA).