



# BANGLADESH-BHUTAN-INDIA-NEPAL

## DOSSIER OF CATALYTIC MULTIMODAL CONNECTIVITY INITIATIVES

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### BANGLADESH

#### **Bangladesh to set transshipment procedures for moving goods of India, Nepal and Bhutan**

Bangladesh is set to work out [common procedures](#) which both the traders and customs officials will have to follow to conduct transshipment of goods with India, Nepal and Bhutan on three routes — sea, land and air.

#### **CUTS Comments**

##### **Impact on Multimodal connectivity**

These procedures once implemented would be instrumental in bolstering performance of trade and transit networks in Bangladesh, reveal new economic opportunities as well as augment further development of the country's intermodal transport infrastructure.

##### **Impact in the BBIN sub-region**

The BBIN sub-region is characterised by [laborious dealing of transshipment work and limited use of the containerised cargo](#). This renders the process inefficient owing to the exponential increase in trade costs and time. The proposed procedure would make the process of transshipment cost efficient through a single stop inspection method. This can also boost multimodal infrastructure services ecosystem not just for the country but the sub-region, especially through waterways while reducing the dominant [freight movement](#) thus congestion from roadways.

#### **Food for Thought**

As Bangladesh's railways [plan to enable greater](#) connectivity linking India, Nepal, and Bhutan, the country could also eventually consider the railways in the common procedure for simplifying and harmonising transshipment procedures. Additionally, having aspired to create precedence for others, Bangladesh could initiate consultations for cross-border common transshipment procedures in the BBIN sub-region.

## BHUTAN

### India plans land customs station on Bhutan border

On Bhutan's request, India is all set to come up with a [new land custom station at Jiti](#) on the Indo-Bhutanese station border in Jalpaiguri's Nagrakata block.

### CUTS Comments

#### Impact on Multimodal connectivity

Bhutan's dependence on roads for the movement of goods and people is extensive. Conversion of this temporary border trade point into a permanent LCS would effectively diversify the entry/exit gateways of trade for Bhutan. This diversification will also help Bhutan to get better access to railways and inland waterways network of India and Bangladesh, thus helping Bhutanese trading and policy making community to get exposure to the benefits of diversified supply chains and push for developing and augmenting similar infrastructure linkages within Bhutan.

#### Impact in the BBIN sub-region

The adding of a new LCS at Jiti will be instrumental for Bhutan's [export of boulders and river bed materials to India and Bangladesh](#). This is particularly crucial considering the high transportation cost and limited load capacity at the permanent [LCS Loksan-Bhimtar](#). Additionally, the access to the Dhubri port and [Jogighopa multimodal logistics park](#) for transshipment of goods within and from the sub-region will be easier.

### Food for Thought

It has become an imperative for India to establish stronger ties with its neighbours, especially, the Himalayan Kingdom of Bhutan. While the construction of the [Mujnai-Nyon Paling railway link](#) has to be speeded up, India should consider converting the Jiti LCS into an Integrated Check Post (ICP), similar to Jaigaon. Such provision for integrated infrastructure will tremendously accelerate cross border trade and people to people movement through this route.

## INDIA

### **Kolkata port to get separate zone for Nepal cargo**

Kolkata customs is likely to [allocate a separate zone](#) within the Syama Prasad Mookerjee port area to handle cargo headed for Nepal.

### **CUTS Comments**

#### **Impact on Multimodal connectivity**

As the consignments for Nepal from other countries route either through Kolkata port or Visakhapatnam port, a special zone at the former would significantly boost the cargo clearance process at Kolkata, while easing traffic at Visakhapatnam. This special zone could highly facilitate increased international cargo traffic for Nepal and add revenues for the Indian port authority. Furthermore, developing its interface with India's multimodal transport corridors, in particular from Kolkata to Kathmandu, can not just help India maximise the utilisation of its alternative transport networks but also reduce time and cost of trade for Nepal.

#### **Impact in the BBIN sub-region**

The dedication of separate zone for Nepal bound third country EXIM cargo will improve access, affordability and quality of Indian infrastructure for Nepal's trading community. Also, it has long been in demand as distance factor while accessing designated Kolkata and Vishakhapatnam ports for their trade consignments, Nepalese traders give preference to Kolkata port. As Nepal has also been granted access to use Bangladesh's Chittagong and Mongla ports, this — along with availability of alternative transport networks in India and Bangladesh — will also boost Nepal's ability to undertake efficient transit transport approaches to integrate with global markets.

### **Food for Thought**

India may contemplate dedicating more such special zones for its landlocked neighbours in the sub-region. Additionally, efforts to standardise and simplify operating procedures with intermodal agencies, with round the clock operation of principle governance agencies providing clearances while enabling complete digitisation of supply chains between India and Nepal, could be undertaken.

## NEPAL

### India seeks Nepal's permission to conduct detailed study of the Raxaul-Kathmandu rail link

The [proposal sent by Indian Embassy in Kathmandu](#) to the Nepal government to follow health and safety protocols amid COVID-19 while carrying out the study.

### CUTS Comments

#### Impact on Multimodal connectivity

Raxaul-Kathmandu railway can significantly augment the intermodal connectivity initiatives of Nepal owing to its connection to Birgunj dry port and ICP, upcoming international airport at Nijgadh and that in Kathmandu. Towards that, the study could facilitate in depth understanding of the infrastructural requirements and its intermodal linkages, while highlighting its significance for the growth of domestic logistic sector.

#### Impact in the BBIN sub-region

With its linkages to the Indian railways network, the construction of Raxaul-Kathmandu railway line will enhance people-to-people linkages and economic connectivity for Nepal in the BBIN sub-region. Subsequently, the railway link is expected to reduce traffic burden at the Raxaul-Birgunj road route at the Indo-Nepal border, thereby improving the quality, performance and inter-operability prospects of this critical trade corridor.

### Food for Thought

While a speedy conclusion of this study and construction of this link is important, common procedure for cross-border trading formalities (such as those proposed by Bangladesh) between the two countries can also be thought of. Along similar lines, considerations for furthering infrastructure, regulatory and procedural connections with the network of dedicated freight and intermodal corridors within the sub-region could be streamlined.

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