

BANGLADESH-BHUTAN-INDIA-NEPAL MULTI-MODAL CONNECTIVITY IN THE SUB-REGION (M-CONNECT)



Joining Dots • Connecting People • Shared Prosperity

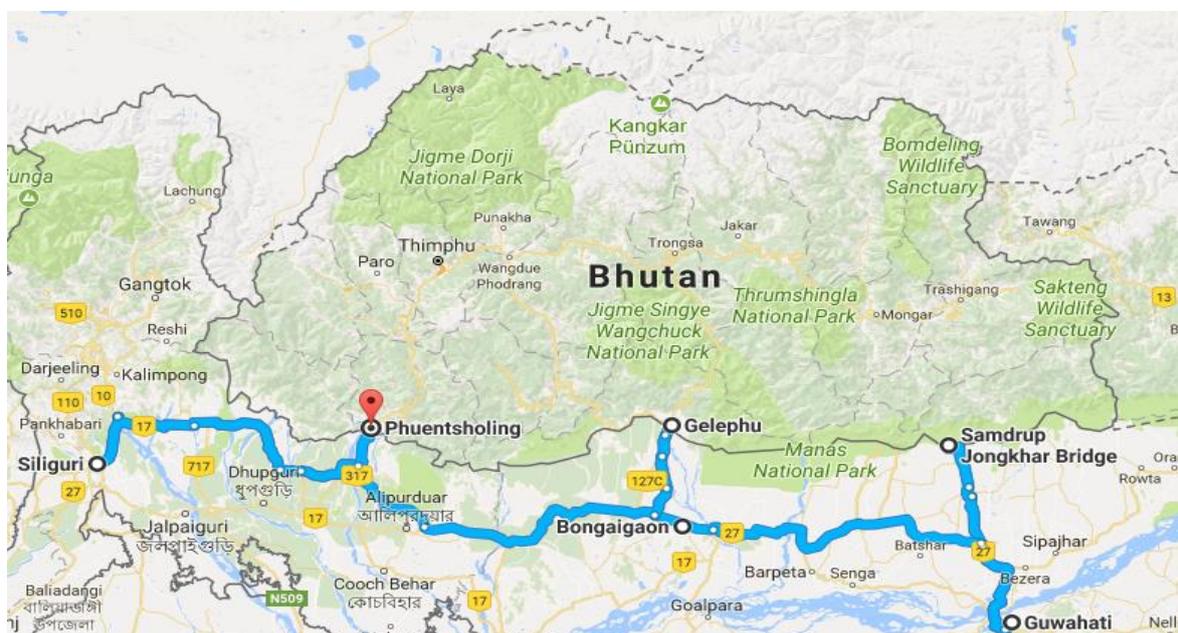
Field Diary Phuentsholing: Largest Commercial Hub in Bhutan

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About the Field Visit

Bhutan Media and Communications Institute (BMCI), in collaboration with CUTS International, is conducting a study titled 'Enabling a Political Economy Discourse for Multimodal Connectivity in the BBIN Sub-region.' BMCI Field Coordinator Rajesh Rai carried out the field survey in Phuentsholing during December 2020-February 2021. The purpose of the study was to assess and investigate the infrastructure, trade logistics and hold stakeholder consultations to explore ways and means to encourage and promote multimodal connectivity among BBIN countries.



Map of the places visited

About Phuentsholing

Phuentsholing is the largest commercial hub in Bhutan and more than 90 per cent of the goods and commodities are imported through Phuentsholing.

Whatever happens in Phuentsholing has a significant impact in other parts of the country. For example, the cost of loading, unloading and transshipment charges at the Mini Dry Port (MDP), Phuentsholing generated considerable problems in the market. As the cost of these manual jobs increased, the rate of essentials in the market across the country inflated. Importers and traders blamed the MDP loaders. However, it was the end consumers, the customers, who were affected. This is one instance of why Bhutan has a huge requirement for proper infrastructure, training, and empowerment for facilitating trade.

Mini Dry Port in Phuentsholing

Phuentsholing has an MDP, which is relatively new. Before the pandemic, wage workers from across the border worked as loaders at the MDP. All of them returned to their respective homes when the border gates were sealed, owing to the pandemic in March 2020, leaving a huge gap in the workforce.

Although today there are many Bhutanese loaders, it is clear that the MDP should have had proper mechanisation in the first place. If the MDP had been planned so that it required little workforce, this problem would not have occurred despite the pandemic problems.

However, an initiative to mechanise the MDP is already on, but controversies still surround it. This also shows how incompetent the planning had been.



Mini Dry Port in Phuentsholing

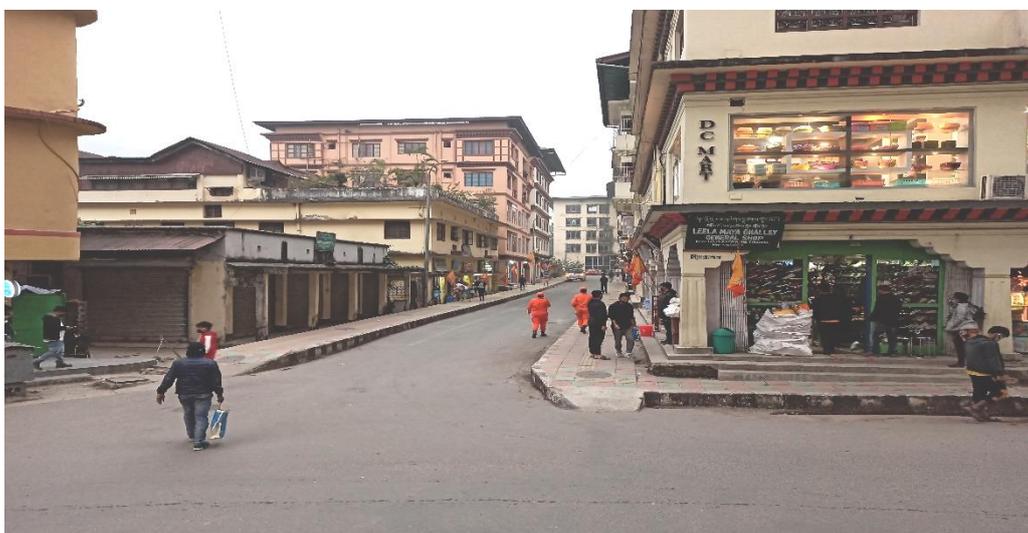


Visuals from the Mini Dry Port in Phuentsholing

A host of people from different professions, but mostly those directly involved and engaged in trade with India, Bangladesh and Nepal were surveyed. It includes exporters from the agriculture sector, officials from important business (representation) offices, government officials and other exporters or importers.

As far as the import-export facilities are considered, there are enormous rooms for improvements. Although the current scenario could not be assessed owing to COVID-19, it is understood from the exporters that the problems exist in the cross-border areas of India-Bangladesh.

India-Bangladesh border facilities are essential for Bhutan as it has enormous import and export activities carried out under these cross-border areas. Therefore, exporters opined that there is a vast potential for the border areas of Burimari-Changrabandha and Fulbari-Banglabandha to improve infrastructure and trade-related procedures.



Empty and quiet Phuentsholing town due to COVID-19

Connection with Jaigaon

For Phuentsholing, Jaigaon town in India is the direct connectivity which has been a free trading town. Both Phuentsholing and Jaigaon have changed in the last few decades. Both are congested towns, although there was lesser traffic due to the pandemic. However, specific changes have come up in the last few years.

The construction of a Land Customs Station (LCS) at Ahalay in Pasakha is one important development. A bypass road from Bibarey (Jaigaon) connects the LCS. Industrial trucks do not have to enter the town anymore, which means the trucks also do not have to enter Jaigaon. Hundreds of them, daily, directly head to the Pasakha industrial estate from Ahalay. This has changed the congestion status in both Jaigaon and Phuentsholing.



Land Customs Station at Ahalay, Pasakha

A temporary MDP has also been set up at Ahalay, with generous support from the Government of India.



Vehicles waiting for transporting goods at Ahalay

Ahalay is now a permanent route for import and export with India, which helps trade with other countries. Essential goods are already being imported from Ahalay.

By 2024, Pasakha will also have the largest dry port known as the Mega Dry Port in 15.6 acres of land. About Nu. 2 billion has been estimated and the construction works have already begun. This will not only cater to industrial vehicles but also facilitate trade vehicles from across the country.

Meanwhile, it has been understood that agriculture trading still needs infrastructural and other aids for its service and system developments. Currently, the export of oranges, apple and cardamom and other farm (including forest) products are mired in issues. This needs streamlining.

Simple machinery systems such as cold storage needs to come up in important places in Phuentsholing. Currently, the MDP in Phuentsholing has cold storage, but it has not been optimally used.

Several projects through South Asia Subregional Economic Cooperation (SASEC) have also helped in the development of trade and transport in Phuentsholing. Four-lane roads and bridges constructed have been the highlight under the initiatives of the SASEC programme in Bhutan.

Way Forward

Although Bhutan has come a long way in enhancing trade, much needs to be done to enhance the growing market. While Phuentsholing continues to scale up to match the increasing trade and transport requirements, it is equally important to capacitate other entry points to decongest Phuentsholing and cater to the growing trade and transport needs of Bhutan and the entire BBIN sub-region.

