

## Inclusive Cross-border Trade through Trans-boundary Waterways of the Brahmaputra River

*This Policy Brief analyses inclusive spaces for cross-border trade through trans-boundary waterways between Dhubri (Assam, India) and Chilmari (Kurigram, Bangladesh). It highlights various challenges related to infrastructure, regulations and market access faced by local producers, traders and small scale entrepreneurs that are hindering them from participating in cross-border trade. It proposes a number of recommendations to address those challenges.*

### Background

The trade and transportation policies of India and Bangladesh intend to enhance trade competitiveness by reducing logistics costs. Switching to a cheaper and environment-friendly mode of transportation like inland waterways can be a cost-effective alternative for transporting those products that do not require instant delivery. They are petroleum products, coal, cement, iron, and metal ores, stone chips and boulders, etc.

Since 2014, several initiatives have been taken by both India and Bangladesh to boost the inland water transport (IWT) sector for inter-country and transit trade.

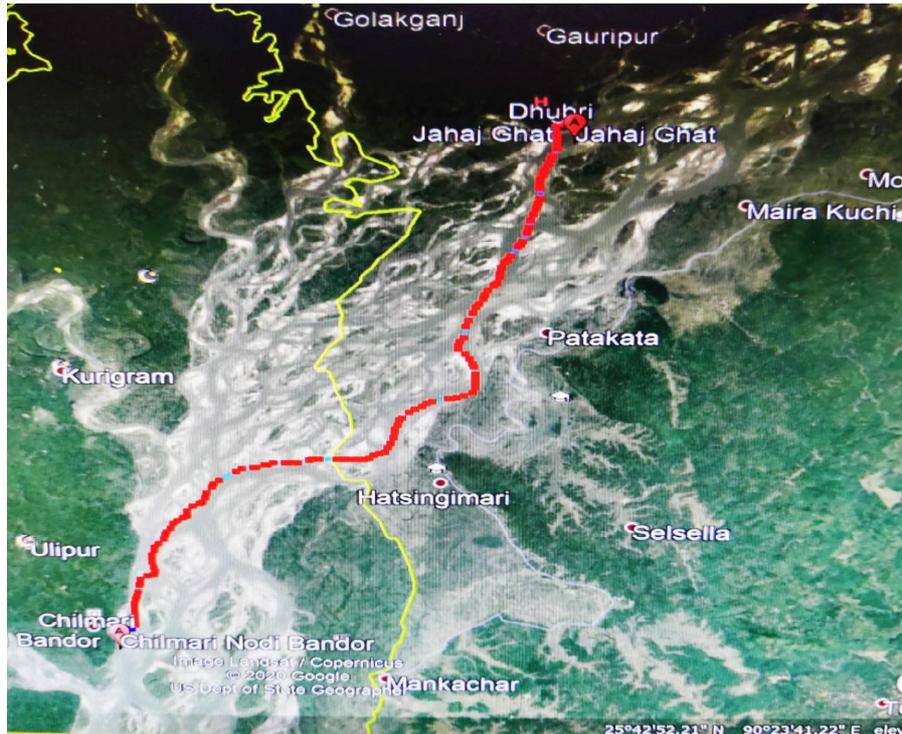
This has created positive traction for infrastructure development and employment generation at specific nodes/junctures particularly near the border areas.

But the focus was on big vessel movement with capacity augmentation of the navigable channels leaving little space for shallow vessels and barges; local players and traders in the border areas.

Inadequate information about the provisions in the India-Bangladesh Protocol on Inland Waterways Transit and Trade (PIWTT), sub-optimal infrastructure, and limited knowledge about the potential benefits of using the inland waterways are the major reasons that hindered a more inclusive cross-border trade through waterways.

It is in this context that CUTS International, under Oxfam's regional water governance programme 'Trans-boundary Rivers of South Asia' conducted research for inclusive spaces for cross-border trade in the Brahmaputra basin.

On study focused on the stretch between Dhubri (Assam) and Chilmari (Kurigram) close to the international border falling along the Protocol Route 1 and 2 as designated under the PIWTT.



## Inland Water Transport and Sustainable Development Goals

*SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation*

Target 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

*SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*

Target 8.9 Devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products

IWT sector has significant potential to generate employment and improve the livelihoods of the people particularly for those living near the border areas including women and other vulnerable communities. River cruising is another area which provides opportunities for both skilled and unskilled labour and promotes local artists and artisans including women.

## Objective and Methodology

The primary objective of the study was to generate evidence supporting a business case for local traders, farmers, and small scale women entrepreneurs in Dhubri, South Salmara Mankachar districts of Assam and Rowmari and Chilmarī upzillas of Kurigram.

While exploring the tradable commodities, we also gauged the perceptions of local communities including women on the possible benefits of trade via waterways. CUTS fieldwork was supported by Oxfam India, Northeast Research, and Social Work Networking (NERSWN, Kokrajhar, Assam), whereas Oxfam Bangladesh and Gana Unnayan Kendra (GUK, Gaibandha) supported CUTS fieldwork activities in Bangladesh.

The methodology adopted was a combination of qualitative and quantitative approaches. This involved focus group discussions (FGDs), and key informant interviews (KIIs) with local traders, farmers, women, boatmen, representatives of local government, and civil society groups which were conducted at the study locations for collecting qualitative information.

For quantitative analysis, a brief survey was conducted with around 50 respondents each in India and Bangladesh respectively. The survey included women entrepreneurs, local traders, farmers, transporters, and other relevant stakeholders to gauge their perception of secondary data on the production statistics of agricultural commodities produced in the Garo hills of Meghalaya.

The export-import data through the adjoining Land Custom Stations of Mankachar and Golakganj were also collected from the database of Directorate General of Commercial Intelligence and Statistics, India.

This study analysed various issues related to market access, infrastructural and regulatory challenges, and other socio-economic aspects faced by local traders, producers, and local small scale entrepreneurs.

These included women in Dhubri and South Salmara Mankachar districts of Assam (India) and Rowmari and Chilmari upzillas of Kurigram district (Bangladesh) that are hindering them from participating in cross-border trade through inland waterways.

**IWT sector has significant potential to generate employment and improve the livelihoods of the people particularly for those living near the border areas**

## Key Recommendations

### Infrastructural Challenges

- Improvement of navigability conditions, setting up of an all-weather inland port at Jogighopa with multi-modal connectivity, up-gradation of the Dhubri port with better road connectivity, and its linkage with railway line are some of the infrastructural-related challenges that need immediate attention of the relevant government authorities.
- For trading perishables like pineapple, ginger, and areca nut, etc. through waterways, the main challenge is the low volume of cargo. To address the challenge of low volume lockable chambers of varying capacities have to be made in a single boat of smaller size (20-25 tonne capacity) to carry multiple commodities in different quantities.
- Hard infrastructure facilities like international banking and insurance facilities, plant and animal quarantine facilities, testing laboratories, cold





storages approach roads, etc. need to be developed at major trade locations close to the terminal.

### Regulatory Hurdles

- Hatsinghimari, close to the India Bangladesh border is a gateway to West Garo Hills and an ideal location for loading perishables. Similarly, Rowmari is a chosen destination of Bangladeshi traders instead of Chilmari as it has better road connectivity to Dhaka. Hence, Hatsinghimari and Rowmari should be declared as 'Extended Ports of Call' for Dhubri and Chilmari, respectively.
- Declaring new routes and Ports of Call and allowing shallow-draft vessels would enable marginal sectors to participate in cross-border trade. For example, Jogigopha in Assam, recently being added as the new Port of Call for Bhutan is certain to attract Bhutanese traders to send their cargo to Bangladesh using inland waterways of India.
- Environmental concerns should also be taken into consideration while preparing plans for the development of the IWT, for example, threats of deforestation near the river banks, uncontrolled lifting of water from the rivers, unscientific dredging, illegal mining of sand and other materials from a river bed, etc. among others.

### Establishing Business Linkages

- One way cargo movement through Protocol Route is an existing challenge that adds to the cost of transportation. To address this, efforts should be taken to facilitate dialogues between traders in both countries to establish business linkages. Cross-border traders meet and a joint visit to each other's locations should also be promoted for the long-term sustainability of such business relationships.
- In-depth analyses of the potential cross-border markets and products that are in high demand on both sides of the border need to be undertaken taking into account the potential of developing inland waterways freight transport corridors.
- Many misconceptions prevail among traders around cross-border IWT regarding designated ports, the commodities which can be traded, specifications of boats, the provisions of PIWTT routes, and the procedures to be followed. Hence, awareness generation and hand-holding of small traders, entrepreneurs, farmers, particularly those from marginalised communities including women, are required to give the riverine movement of cargoes a major thrust.

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