

Local Stakeholders Consultation on India-Nepal Trade Facilitation

Panitanki, West Bengal, India, 20th February, 2015

A Report

Infrastructure Development and Transport Facilitation are the key action points to enhance trade through the Panitanki-Kakarvitta Land Custom Station

“It is the procedural delays at the border trade points that majorly enhance the trade costs in our region,” said Sagar Prasai, India Representative of The Asia Foundation. This meeting on cross-border trade through the Panitanki-Kakarvitta border was organised by CUTS International with support from The Asia Foundation. It deliberated on issues related to India-Nepal trade through Panitanki-Kakarvitta land route and discussed possible solutions to the same.

It was aimed at validating the findings and recommendations of a study on Trade Consignment Mapping in South Asia undertaken by CUTS on those issues through ground level consultations with practitioners and officials at the border point. This study looked at three major trade corridors in the region and will be released soon.

The event had participation from customs officials, plant quarantine officials, and officials dealing with border security of both the countries. It also had participation from representatives of chambers of commerce, road transport associations, clearing and forwarding agents, associations of local traders and media.

Biswajit Das, General Secretary of the Federation of Chambers of Commerce & Industries in North Bengal, said that he agrees to the bottlenecks identified by CUTS and welcome this much needed dialogue among stakeholders from both India and Nepal. He shared that in addition to improvements at the Panitanki-Kakarvitta Land Custom Station, the Debiganj-Bhadrapur land port needs to be looked at and further developed so as to ease the pressure on the exiting LCS.

Debiganj-Bhadrapur is well connected with railways and there is also an airport in Bhadrapur. A bridge is being constructed on the river Mechi, with assistance under the ASIDE Scheme of the Department of Commerce, Government of India, which will help cargo movement. It is expected to be commissioned soon and then the Debiganj-Bhadrapur route can help share some of the pressure of the cargo movements between India and Nepal.

Dilip Sakunia, Superintendent of the Siliguri Customs in India, shared that there has been promising developments with regard to India-Nepal trade facilitation in the recent times. This includes finalising of plans to set up a Central Food Testing Laboratory in Siliguri that can be accessed by not only traders trading through Panitanki-Kakarvitta but also through adjoining routes such as Phulbari-Banglabandha, Chengrabandha-Burimari.

S K Sharma, Superintendent of the Panitanki Customs in India, shared that the Indian Commerce Department has already handed over the land adjoining the customs office at Panitanki to the Siliguri-Jalpaiguri Administrative Authority for the development of a parking space. He said that in near future this is going to take care of the parking issues at Panitanki.

Narayan Kumar Srestha, Senior Plant Quarantine Officer at the Kakarvitta Customs in Nepal, shared that they are facing hurdles to effective testing and certification for items, especially agricultural products that are majorly exported to India from Nepal. He said that adequate testing laboratories and other facilities are lacking in Nepal and requested that some capacity building and hand-holding be undertaken from the Indian side.

In response, Prithviraj Nath, Policy Analyst of CUTS International, shared that standards authorities of India and Bangladesh have a memorandum of understanding towards hand-holding, capacity building and facility development. It will be worthwhile to explore similar arrangements between similar institutions and authorities in Nepal and India.

Shrestha's counterpart in India, V D Nigam, Plant Protection Officer at the Panitanki Customs, shared that the plant quarantine office in Panitanki now has a regional centre which has the facilities to undertake requisite Pest Risk Analysis (PRA). This, he added, is helping in reducing the time required for such testing, since the samples need not be sent to Kolkata or some other town far away from this border trade point. He requested stakeholders to visit the testing facility and address any queries that they may have regarding PRA tests to him.

Bimal Acharya, Member of the Federation of Nepalese Chambers of Commerce & Industry, highlighted the need for local level consultations in solving everyday issues. He said that much of the issues faced by traders, like informal toll collections on both side of the border, are localised in nature and can be solved by having localised stakeholder consultations across the borders. However, he rued the fact that not many such consultations are happening. He welcomed the initiative by CUTS in this regard.

He went on to share that chambers of commerce from both sides of the border have been advocating for the much needed infrastructure development and it is heartening to see that many of those demands are presently being worked upon and stand to become realities in the near future. He added that it is important to speed up such infrastructure development.

He also stressed that the trade treaty between India and Nepal needs to be looked at closely to include relevant changes in it so that it reflects the present realities and aspirations. He added that they were much hopeful of a motor vehicle agreement being signed among the SAARC nations during the last SAARC summit, but which didn't happen.

In response to that point, Prithviraj Nath, shared that there is an encouraging development to this end. He said that negotiations are presently on among the four countries (viz. Bangladesh, Bhutan, India and Nepal) and they may go ahead with a sub-regional agreement on motor vehicles to facilitate trade in this sub-region. Participants at the event shared that such an agreement will be really a welcome development for trade and connectivity in the region.

Sumanta Sarkar, Assistant Secretary of the Eastern Himalaya Travel & Tour Operators' Association, welcomed the fact that CUTS had advocated for enhancing higher connectivity in the region through tourism and added that much needs to be done to boost tourism in the region. There are many teething hassles that they have to face while transferring international tourists coming in through the Bhadrapur airport to Darjeeling and other tourism hotspots in North Bengal.

He added that a sub-regional motor vehicle agreement will indeed be a boon for the tourism sector. He also stressed the need for local level dialogues to solve such localised and everyday issues, especially with regard to vehicular movement between the two countries.

Narendra Prasad, Secretary of the Naxalbari Traders Association, said that it is important that localised infrastructure development at the Panitanki-Kakarvitta Land Custom Station is linked to bigger infrastructure development projects like the Asian Highway Project that is expected to connect Panitanki on the India-Nepal border to Phulbari on the India-Bangladesh border. He stressed that it has to be ensured that planning for localised infrastructure development like the parking facilities at this LCS is to be done in sync with bigger corridor development projects so that they are connected seamlessly.

Uttam Poddar, Secretary of the North Bengal Exporters' Association, highlighted that the issue with currency exchange needs to be looked into. His views were seconded by Biswajit Das, General Secretary of the Federation of Chambers of Commerce & Industries in North Bengal, who said that having exchange facilities at the border point is crucial and added that neither Nepalese nor Bhutanese currencies are considered hard currencies and hence, not exchanged. He requested CUTS to take it up at appropriate level.

A K Singh, Sub-Area Organiser at the Siliguri Frontier of the Border Security Force of India, welcomed this initiative to bring stakeholders together and said that specific bottlenecks to cross-border trade has been effectively captured by the CUTS study. He said the bridge on the river Mechi is to be prioritised and also requested cooperation from all stakeholders to arrest informal trade and address security concerns in the border areas. Arjun Timilsina, Deputy Superintendent of Police in Kakarvitta, Nepal, mirrored his views and promised prompt action from his side if instances of unauthorised toll collection are brought to his notice.

The event concluded with a request to CUTS to convey the issues discussed to appropriate authorities and also with a unanimous agreement on the importance of organising such multi-stakeholder consultations.

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