

RECOMMENDATIONS FOR THREE CORRIDORS

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CORRIDOR-3

KATHMANDU(NEPAL) – BIRGANJ(NEPAL) –
RAXAUL(INDIA) – KOLKATA(INDIA)

Recommendation – 1

Reduction of time for issue of delivery order from Container Agents, Freight Forwarders/ MLO etc. from one day to one Hour.

Policy measure(s):

Shipping Trade Practice Bill, 2010 of India be adopted. This will bring transparency in trade practices by publishing tariff by shipping transport logistics service providers in respect of services rendered, registration of such service providers, defining conduct of service providers and service users by stipulating their obligations, setting up of Dispute Settlement Tribunal for redressal of grievances.

Recommendation – 1

Reduction of time for issue of delivery order from Container Agents, Freight Forwarders/ MLO etc. from one day to one Hour.

Implementing Authority, assumptions and risks involved:

- a) Government of India to adopt Shipping Trade Practices Bill so as to facilitate uniformity and transparency in the operations of all the shipping transport logistics service providers, especially that of container agents/MLO.
- b) Above measure will enforce uniformity in the container guarantee, uniform rate of container detention and charges, uniformity in timings of operations for all the service providers.
- c) This will facilitate issuance of delivery orders quickly (in one Hour electronically) as against wastage of full day for the process.

Recommendation – 2

Reduce misuse/multiple use of Letter of Credit (LC)

Policy measure(s):

- I. Manually held records of LC and IGM particulars, registered and verified at Nepal unit of Customs at Kolkata and Haldia, be maintained and verified electronically.

Implementing Authority, assumptions and risks involved:

- a) The Customs at Kolkata and Haldia may facilitate the process of LC and IGM registration and verification in online manner so as to substantially reduce time taken in manual operations.
- b) It is understood that the process is being converted into electronic operations which may substantially improve the efficiency and transaction time in the process.

Recommendation – 3

Reduce long vehicle queues at Raxaul(India) – Birganj(Nepal) Border and streamline the process.

Policy measure(s):

Customs Transit Declaration (CTD) and supporting documents be shared between Kolkata / Haldia Port and Indian Customs at Raxaul border.

Implementing Authority, assumptions and risks involved:

- a) Major Customs operations at Kolkata and Haldia are web-driven.
- b) Indian Customs at Raxaul has net-connectivity.
- c) Adoption of automation in the clearance of Nepal transit cargo would facilitate speedy document sharing.
- d) It is therefore proposed that Customs Transit Declaration (CTD) between Kolkata/ Haldia Customs and Raxaul Customs be shared electronically so as to ensure the documents are available at exit point before arrival of the cargo / truck. This will substantially reduce the clearance and waiting time at Raxaul Border.

Recommendation - 4

Introduce system for trace and track of container / truck between Kolkata/Haldia and Birganj (Nepal) border.

Policy measure(s):

Introduce the Global Positioning System (GPS) on the container/truck for monitoring the flow of cargo in the corridor.

Implementing Authority, assumptions and risks involved:

Government of India and Government of Nepal with the assistance from ADB and UNESCAP may carry out a proof of concept for adoption of GPS system for container/truck operation in the corridor so as to address the fear of offloading of goods in the transit route/breakdown of the truck/carrier etc in the corridor. This will induce confidence and facilitate trace and track of Cargo in the transit route.

Recommendation - 5

Introduce effective and efficient Cargo clearance of Nepal bound documents/cargo.

Policy measure(s):

Introduce ICES 1.5 (Indian Customs EDI System ver.1.5) at Kolkata / Haldia for transit cargo of Nepal.

Implementing Authority, assumptions and risks involved:

- i) It is understood that the following operations are manual at Kolkata / Haldia Port for Nepal Transit Cargo
 - a) LC management.
 - b) Management of CTD/ICCD (Import Containerized Cargo Declaration).
 - c) Finalisation of bond
 - d) TP closure
- ii) Integration of above referred activities under ICES 1.5 would greatly induce efficiency in the clearance process thus reducing the clearance time.

Recommendation – 6

Effective and efficient LC management for Nepal cargo.

Policy measure(s):

LC module of ICES 1.5 be introduced for Nepal cargo.

Implementing Authority, assumptions and risks involved:

- i) Customs at Kolkata / Haldia and Raxaul can introduce LC module of ICES 1.5 in their operations so as to facilitate checking and debit of LC online thus reducing the transaction time.
- ii) The net-connectivity between Raxaul and Kolkata / Haldia would facilitate online management of TP as well as online verification of IGM.

Recommendation – 7

Online transshipment processing under ICES 1.5.

Policy measure(s):

Introduction of transshipment module under ICES 1.5 for Nepal cargo.

Implementing Authority, assumptions and risks involved:

Customs may adopt online processing of transshipment permit to introduce efficiency in the process.

Recommendation – 8

Recognition of electronic documents between Nepal and India, thus reducing document submission time from 3-4 days to one Hour.

Policy measure(s):

Adoption of digitally signed trade documents between India and Nepal.

Implementing Authority, assumptions and risks involved:

- I. In the manual process, importer in Nepal is required to send the following 10 documents to Kolkata through courier for facilitating CTD:
 - a. Name of Ship, Rotation No. And Line No.
 - b. Name & address of the Importer
 - c. Number, description, marks and serial no. of the packages
 - d. Country of consignment and country of origin (if different)

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Recommendation – 8

- e. Description of goods
 - f. Quantity of goods
 - g. Import licence no. and date
 - h. LC No., date and name and address of the bank
 - i. Route of transit
 - j. A Declaration
- II. It is suggested that a trust chain be created between the importer, CHA and the Government of Nepal Consulate General, Indian Customs and Kolkata / Haldia Port Authorities so as to respect electronic flow and processing of documents and acceptability of the documents which can be digitally signed.
- III. This procedure will reduce transaction time substantially from 4-5 days (through courier) to same day through electronic transmission.

Recommendation – 9

CHA, MLO/Container Agent/Shipping Line and Port Authority at Kolkata be connected through uniform system for speedy clearances.

Policy measure(s):

To cover all shipping transport logistics service providers and Port authorities/Customs at Kolkata/Haldia under uniform electronic system for facilitating speedy clearance for Nepal Cargo.

Implementing Authority, assumptions and risks involved:

- i. It is understood that CHAs are automated because they transact business with Kolkata/Haldia Port and Customs electronically.

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Recommendation – 9

- ii. It is understood that MLO/Container Agent/Shipping Line are connected electronically with their principals as well as with the Kolkata / Haldia Port Authorities using international standard of transacting business electronically.
- iii. MLO/Container Agent / Shipping Lines are transacting COPRAR and CARREQ standard messages to Port through Port Community System (PCS) electronically.
- iv. Considering the fact that CHA, MLO/Container Agent, Kolkata/Haldia Ports and Customs are all connected on a uniform electronic system which are compatible therefor the CHAs can submit B/L copy, Bank Guarantee to the MLO/Shipping Line for getting Local Delivery Order (LDO), Jettying Challan (JC), Carting Order electronically for Nepal Cargo too. This may reduce transaction time from one day to one hour.

Recommendation – 10

Quick payment facility be introduced for all kinds of clearance at Kolkata / Haldia for Nepal cargo.

Policy measure(s):

Net payment be introduced for payments by importer, exporter/CHA to the Port Authorities / Customs and shipping logistics service providers.

Implementing Authority, assumptions and risks involved:

- i. It is understood that net payment is introduced into operations of Kolkata / Haldia Port / Customs.
- ii. It is therefore proposed that all payments by the Agents / importers / exporters for Nepal cargo be facilitated electronically so as to reduce processing time.

Recommendation – 11

To increase free flow of Cargo /trucks along the Indo-Nepal border at Birganj.

Policy measure(s):

Improvement of link road at Raxaul-Birganj border.

Implementing Authority, assumptions and risks involved:

- i. It is understood that road condition on both sides of the border is very bad as well as congestion is very high.
- ii. It is understood that new integrated facility at the Indian and Nepal side of the border at Raxaul / Birganj is under construction which may take about one to two years.
- iii. Once the integrated facility is operationalised, the flow would be effectively facilitated. Till such time the new facility with the link road is operationalised, the Indian Government, Nepal Government and the ADB/UNESCAP may take a project for improvement of the current road link at Raxaul / Birganj border.

CORRIDOR-2

Phuentsholing(Bhutan) – Jaigaon(India) – Hasimara(India) –
Changrabandha(India) – Burimari(Bangladesh)

Recommendation – 1

To reduce time taken for flow of goods between Bhutan and Bangladesh, the 130 km road needs improvement (whereas NH-34 portion is quite good).

Policy measure(s):

Improvement of road between Phuentsholing (Bhutan) and Burimari (Bangladesh).

Implementing Authority, assumptions and risks involved:

Government of India, Royal Government of Bhutan and Government of Bangladesh with the assistance of ADB/UNESCAP may take up a project for improving the road in this corridor.

CORRIDOR – 1

Kakarvitta(Nepal) – Pavitanki
(India) – Phulbari(India) –
Banglabandha(Bangladesh)

Recommendation – 1

Reduce the travel time between Kakarvitta to Banglabandha.

Policy measure(s):

To improve the Road in the corridor.

Implementing Authority, assumptions and risks involved:

- i. It is understood that about 40 km Road patch between Kakarvitta and Banglabandha needs improvement.
- ii. It is proposed that Government of Nepal and Government of India and Government of Bangladesh with the assistance of ADB and UNESCAP may take up the improvement of road condition in the corridor.

Recommendation – 2

Reduce the cost of transport of goods from Nepal to Bangladesh.

Policy measure(s):

To introduce a flexible and effective car pass system for Nepalese trucks in Bangladesh.

Implementing Authority, assumptions and risks involved:

- i. It is understood that under a car pass system introduced by Bangladesh Government, the Nepalese trucks carrying export consignments can enter Bangladesh, for one day only. The truck is required to return the same day from Bangladesh.
- ii. The Nepalese trucks can enter Bangladesh without Kalashi / Cleaner.
- iii. The goods are transferred at the border of Bangladesh to a Bangladeshi Truck, which adds to cost.
- iv. It is suggested that the Government of Nepal and Government of Bangladesh may work out a flexible system for facilitating the process of Nepal trucks' free movement to Bangladesh for offloading the goods at the destination.