STRENGTHENING TRADE ALONG THE DHAKA–KOLKATA ROUTE

FOR A PROSPEROUS AND INTEGRATED SOUTH ASIA

DECEMBER 2021

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6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines
Tel +63 2 8632 4444; Fax +63 2 8636 2444
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PREFACE

The efficient movement of goods between Bangladesh and India is essential to economic growth in both countries. Land crossings account for nearly 40% of all bilateral trade between the two countries, and play an important role in strengthening trade ties while reducing costs. However, inefficient trade procedures at land crossings, paired with infrastructure constraints on both sides of the border, currently inflate the time and costs of conducting trade.

Of particular importance to bilateral trade are the land routes connecting the commercial hubs of Dhaka in Bangladesh and Kolkata in India. Addressing traffic congestion along these major routes, as well as improving facilities and clearance procedures at the respective border crossings, can significantly improve trade between Bangladesh and India. While the two countries have made progress to streamline trade on land, further improvements to infrastructure and trade facilitation practices remain essential along the Dhaka–Kolkata routes.

The South Asia Subregional Economic Cooperation program delivers wholistic support to improve trade and socioeconomic development in the region, and is helping Bangladesh and India strengthen trade ties in support of a more prosperous and integrated subregion. The Asian Development Bank is providing support through hard investments in infrastructure and facilities, as well as through soft interventions to improve trade facilitation practices. This study, finalized in July 2020, examines some of the key bottlenecks to trade on land between Dhaka and Kolkata and provides recommendations on how to address them.

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ABBREVIATIONS

ADB	Asian Development Bank
ASYCUDA	United Nations Conference on Trade and Development Automated System for Customs Data
BCP	border crossing point
CAGR	compound annual growth rate
FSSAI	Food Safety and Standards Authority of India
ICD	inland container depot
ICP	integrated check post
JNPT	Jawaharlal Nehru Port Trust
LCS	land customs station
MT	metric ton
NABL	National Accreditation Board for Testing and Calibration Laboratories
RMS	risk management system
SASEC	South Asia Subregional Economic Cooperation
SWIFT	Single Window Interface for Facilitating Trade
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific

INTRODUCTION

This publication highlights opportunities to streamline trade between Bangladesh and India, and focuses on three essential land routes between Dhaka and Kolkata. The publication was commissioned by the Asian Development Bank (ADB), under the regional technical assistance for Implementing Trade Facilitation Initiatives under the South Asia Subregional Economic Cooperation Program (TA 9578-REG). This publication is based on a comprehensive study prepared for the technical assistance, which was intended to support decision making by policymakers and development partners in South Asia. This publication summarizes the key findings of the original study, for a wider audience of traders, government representatives, and trade facilitation experts across the region.

CONTEXT—TRADING ON LAND BETWEEN BANGLADESH AND INDIA

Bangladesh and India are the two largest trade partners in the South Asia Subregional Economic Cooperation (SASEC) zone.¹ India exports cotton, cereals, cars, machinery, fuel, and raw materials; while Bangladesh produces fabric, garments, apparel, and vegetables for export to India. Bilateral trade is a key economic driver for both nations, and growing fast.

In 2018, Bangladesh shipped \$916 million worth of goods to India, and India shipped nearly \$8,928 million in exports bound for Bangladesh. Together, their trade portfolio achieved a compound annual growth rate (CAGR) of 11.1% during 2014–2018, reaching a combined \$9,844 million in 2018. In practice, this translates to business growth, jobs, and the conversion of raw materials into consumer goods (like shoes and shirts) for onward sale and use around the world. The efficient movement of people and goods between the two countries is essential for reducing the costs of trade, fostering economic synergies to support growth, and driving inclusive socioeconomic development across the SASEC subregion as a whole.

Goods travel between Bangladesh and India by road, rail, air, maritime, and inland waterways, with 38.5% of all trade in 2018 crossing by land. The majority of goods traveling from Bangladesh to India move by land, with 70.4% of exports to India transported by road or rail. The movement of goods from India to Bangladesh follows more diverse paths, with land transport accounting for 35.2% of exports. This is in part because Indian exporters have more shipping options than Bangladeshi counterparts, and because India's export volumes are much larger.² Increasing the use of land routes for trade between the two countries can significantly reduce costs. However, inefficiencies associated with outdated infrastructure and suboptimal trade facilitation practices on land currently hamper bilateral trade by road and rail.

The Dhaka–Kolkata Routes

A significant portion of cargo moving on land passes by way of the Dhaka–Kolkata trade routes. As such, a small handful of border crossing points (BCPs) between the two commercial hubs account for virtually all trade on land between Bangladesh and India. In 2018, about 96% of Bangladeshi exports to India plied by land passed through one of

¹ SASEC is a project-based partnership that aims to promote regional prosperity, improve economic opportunities, and build a better quality of life. To date, its member countries are Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka.

² Geographic factors are also an important consideration. For instance, exports from the south of India can move more conveniently by maritime trade, and this causes traders to use such alternative routes.

four crossings.³ The same was true for 95% of all cargoes moving by road or rail from India to Bangladesh.⁴

Of premier importance to the Dhaka–Kolkata trade path are three gateways: Petrapole–Benapole, Ghojadanga–Bhomra, and Gede–Darshana. The Petrapole–Benapole gateway, alone, accounted for an average of 80% of all bilateral exports on land in 2018. Ghojadanga–Bhomra provides a relatively quicker alternative to exporting goods from Bangladesh to India; and the Gede–Darshana rail gateway connects Kolkata in India to Dhaka in Bangladesh, and onward to Southeast Asia through the Trans-Asia Rail Network. Together, the three gateways are essential for bilateral trade, the movement of goods across SASEC, and onward commerce with Southeast Asia and international markets.

Despite their economic significance, however, trade routes between Dhaka and Kolkata suffer inefficiencies that hamper the movement of goods—generating high costs to traders and government agencies alike. Addressing core inefficiencies along the three routes can speed up the movement of goods, increase bilateral trade volumes, and reduce costs.

Barriers to Efficient Trade

There are three key bottlenecks to quicker, lower-cost trade along the land routes connecting Dhaka and Kolkata: (i) physical transport assets, such as roads, rails, and bridges, are inadequate to support current and projected trade volumes; (ii) BCPs lack infrastructure, like parking facilities, cold storage, and warehouse space to process cargoes; and (iii) the current enabling frameworks, including trade facilitation practices and supporting technology, are not conducive to the efficient processing and clearance of goods.

Transport. Roads along the Dhaka–Kolkata trade route are narrow and highly congested. In many areas, roads are degrading because they are not built to support heavy loads. Furthermore, the key routes pass through numerous urban centers and agglomerations, which slows traffic from the major commercial hubs to crossing points. In the absence of bridges, trucks need to wait in long lines for costly ferries over rivers; while limited freight train services from Dhaka to Kolkata restricts Bangladeshi exporters from using lower-cost transport services. Furthermore, there is a lack of adequate repair and halting facilities for cargo vehicles along many of the key routes, contributing to safety risks and additional inefficiencies and traffic congestion.

Petrapole ICP and Benapole Land Port. This is the gate within Petrapole ICP and Benapole land port (photo from Deloitte Touche Tohmatsu India LLP).

³ Portions of land exports by crossing were Petrapole–Benapole (81.7%), Burimari–Changrabandha (7.1%), Agartala–Akhaura (4.2%), and Sutarkandi–Sheola (3.5%).

⁴ Land exports from India to Bangladesh passed through Petrapole–Benapole (78.3%), Hili (7.5%), Gede–Darshana (5.3%), and Ghojadanga–Bhomra (3.9%).

Border crossing points. Land ports lack the equipment and facilities they need to process cargo in a timely manner. When freight arrives at gateways to secure clearance, trucks may have to wait for hours and struggle to find adequate parking. Once trucks find parking, they may wait for hours or even days before being granted entry to BCP facilities. Further, not all land ports have cold storage facilities, prohibiting the use of select gateways when plying perishable cargo. The lack of health centers, restrooms, restaurants, and shops at parking areas (where drivers often wait for more than a week) leads to concerns on the well-being of commercial truck drivers.

Cargo to trucks. Cargo being offloaded to trucks at Darshana (photo from Deloitte Touche Tohmatsu India LLP).

Facilitation processes and technology. Although currently undergoing modernization, many of the customs clearance procedures are carried out manually, with limited coordination between domestic agencies to streamline processing. Furthermore, most traders are not aware of the methods they can avail to reduce wait times, such as submitting declarations in advance and undergoing material testing prior to arriving at customs.⁵

Inside Petrapole. A view of the Petrapole ICP (photo from Deloitte Touche Tohmatsu India LLP).

The result is that moving cargo from Bangladesh to India (and vice versa), takes longer and costs more than it needs to. Wait times lead to elevated costs and missed opportunities. Associated costs affect manufacturers, buyers, and transporters; while inefficient trade facilitation practices create unnecessary burdens for government agencies. Understanding the barriers that traders face on a daily basis helps illustrate just how much the two countries stand to gain by addressing infrastructure and procedural bottlenecks.

SASEC Facilitates Regional Cooperation and Trade

The Asian Development Bank (ADB) is working in close partnership with Bangladesh and India to address bottlenecks to trade. The SASEC program is a key vehicle for improving connectivity and regional cooperation and integration, and has supported trade in South Asia for nearly 2 decades. SASEC brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka in a project-based partnership to promote regional prosperity, improve economic opportunities, and build a better quality of life for the people of the subregion. SASEC countries share a common vision of boosting trade and cooperation in South Asia, while also developing connectivity and trade with Southeast Asia, the People's Republic of China, and global markets.

⁵ Material tests and certification are only required for specific items, and prior test results are accepted for bilaterally agreed items. The process is described in more detail in this report's subsections on selected gateways.

Box: On the Road with Tons Yarn

Shyamol works for a company in India that operates a large fleet of trucks. He drives one of those trucks and regularly makes the trip from Kolkata to the Bangladeshi border. On this particular journey, his cargo will cross from the Indian border at Petrapole, onward to Benapole in Bangladesh. There, another driver named Saif will take the cargo and ply it on to Dhaka.

During the day, Shyamol's truck is loaded with yarn from a manufacturer in West Bengal. The soft skeins of cotton will travel to Bangladesh, where they will be woven into fabric and sewn into garments like the blue t-shirt Shyamol wears. It is fresh pressed and clean today, but Shyamol knows that by the end of his trip, he will need a change of clothes. So, when his truck is packed and ready to leave at 9:30 p.m., he climbs into the cab, toting a bag of toiletries and clothes. Now, with the moon up and traffic at a relative lull, he sets off for Petrapole.

Shyamol first drives north for the city of Chakdah, hoping he doesn't pop a tire or smell smoke from the hood of his truck. There are few, if any, repair facilities on this route, and no good places to stop. Fortunately, he arrives safely in Chakdah after three and a half hours of driving—it's past midnight, but he won't rest yet.

He turns east onto Highway 1 (SH1), which brings him to Bongaon—the municipality ahead of the Petrapole–Benapole border crossing. SH1 has only two lanes and is lined with parking facilities. It is almost always congested, and Shyamol has to brake every few minutes as trucks pull out of parking lots, vying for space on the road. The last few kilometers of road before the Petrapole border crossing don't have separate lanes for commercial and passenger vehicles, so everyone is lumped together into one slow-moving stretch. Shyamol sighs, moving cautiously as motorcycles honk and weave between him and the cars ahead. It's about three in the morning when he eventually arrives at his destination.

The Petrapole integrated check post (ICP) itself does not have adequate parking facilities to house him (due to over congestion), so Shyamol obtains a parking pass and serial number, and finds space in a private lot in Bongaon. He is exhausted from the long ride and has been developing a cough, but knows the parking area won't have a medical facility or any convenience stores, so he settles in for a long and uncomfortable wait. He knows he will be parked for a while, as there is always a backlog of vehicles waiting for export clearance at the Petrapole ICP. Trucks enter on a first come, first served basis, and there is close to no cell connectivity in the entire area. After sleeping a few hours, Shyamol wakes up, brushes his teeth, and investigates dining options. For the next few days he will eat at local stalls and sleep in his truck, not knowing when it will be his turn to enter the Petrapole ICP for clearance.

On the eighth day, he is allowed into the ICP. The shipping bill was filed in advance, so ICP staff weigh his cargo, where required, and customs brokers (CBs) obtain the customs clearance for export of the yarns; and the CBs enter information about the truck into the cross-border register to get a car pass so Shyamol can drive the shipment over to Benapole.

Once Shyamol receives the car pass, he moves into the Benapole Land Port. Once in Bangladesh, he completes the procedures that will allow him to hand his cargo off. He submits a copy of his car pass, registers with the Benapole Land Port Automation system, goes through another cargo weighment, and unloads the container of yarn into a warehouse. Meanwhile, the customs brokers file a bill of entry, and the customs officials conduct assessment and examination, request the duty payment, and generate the cargo release order and warehouse delivery request.

Shyamol drives his empty truck back into India through the zero point and submits another copy of the car pass to the officials, as proof of his return. Now, after 9 long days of transit and waiting, he can head back to Kolkata. On each trip, dwell times vary, and there is no telling when he will be home.

In Bangladesh, Saif takes over the shipment of yarn. He drives into the Benapole Land Port, where the cargo is loaded onto his truck, and receives a gate pass that allows him to exit. Delayed, he starts his journey back to Dhaka.

continued on next page

Box continued

Saif drives slowly to Jashore, moving through traffic on the two-lane highway out of Benapole. He arrives at the first junction after two hours and carries on toward Magura. Like Shyamol, Saif finds himself hoping the truck won't break down, as there are no proper service stations on this stretch of road. He arrives in Magura after nearly two hours and continues on to the Daulatdia ferry terminal to cross the Padma River.

Saif gets impatient as traffic thickens approaching the river. There is a long wait for the ferry, and limited parking. He is at a standstill in traffic for nearly four hours waiting his turn for the 30-minute ferry. He wonders—as he often does while waiting at the river's edge—why there aren't more ferries or a quicker route over the Padma. Surely, the river could hold a few more boats, and there are certainly enough trucks to use it.

Finally, Saif and the yarns make it across the river. He sets out toward Dhaka on N5. It's the last leg of his trip. He knows it should take just over two hours; but again, the highway has only two lanes, traffic is heavy, and it takes four hours to reach his destination. Finally, Saif unloads the cargo after 15.5 hours on the road, and heads home.

Shyamol and Saif are real drivers. While this story is partially fictionalized, it is based on a common experience of truck drivers transporting cargo along real routes between Kolkata and Dhaka and using the Petrapole–Benapole border crossing point. Embellishments aside, the routes, export processes, and timelines described in the story are based on their accounts—indicating the real barriers traders face when plying cargo between the two commercial hubs on a daily basis.

Source: Author's interpretation of an unpublished ADB study, *Case Study for Transit along Kolkata to Dhaka Route via Petrapole–Benapole*.

SASEC strengthens multimodal, cross-border transport networks to boost intraregional commerce and open up trade opportunities with East and Southeast Asia. The program helps build modern and effective trade facilitation regimes to speed up the time and reduce the costs for moving goods, vehicles, and people across borders. Support for better connectivity is helping unleash the tremendous potential for mutually beneficial trade between the seven SASEC countries, which remain some of the least economically integrated in the world. ADB serves as the secretariat for SASEC. It also supports regional cooperation alongside national initiatives to strengthen commerce and trade with investments and technical assistance.

Domestic Progress on Trade Facilitation

Trade facilitation initiatives can be categorized into hard and soft interventions. Hard interventions are those which address physical infrastructure, including transport and BCP assets. Soft interventions are those that use policy, regulation, and digital tools to streamline the movement of goods across borders, while ensuring appropriate risk management and compliance management measures are in place. Complementarity between hard and soft interventions is essential for reducing trade costs, increasing trade, and preserving appropriate controls and border security.

The governments of Bangladesh and India—in close partnership with the SASEC program, ADB, and other development partners in the region—have taken great strides to promote bilateral trade with improved infrastructure and trade processes.

Both governments are currently implementing pipelines of hard and soft interventions to streamline trade. Improvements will reduce the costs of importing and exporting goods and help scale up trade bilaterally, across SASEC, and internationally. However, further progress remains to be achieved.

Bangladesh

Bangladesh is ranked 168th out of 190 economies in the “Trading Across Borders” category of the World Bank’s *Doing Business 2020* report.⁶ While it has initiated reforms to upgrade infrastructure and trade facilitation processes, there is significant scope for further improvements. Analysis suggests that modern customs and border clearance procedure can decrease the cost of trading between 14% and 17.5% in lower middle-income countries like Bangladesh.⁷ To date, the following key interventions are completed or underway in Bangladesh:⁸

Hard interventions

- (i) Construct and upgrade transnational highways and railways, and make commitments to continue improving physical connectivity under two United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) initiatives for developing the Asian Highway Network and the Trans-Asian Railway Network.⁹
- (ii) Augment border crossings to improve facilities for storing and processing cargo.

Soft interventions

- (iii) Implement ASYCUDA World (a computerized customs management system) across all of its major ports and customs stations to streamline cargo processing.¹⁰
- (iv) Draft a new Customs Act, which will replace the Customs Act 1969 to modernize and digitize customs practices in Bangladesh.
- (v) Introduce automation on a pilot-basis to streamline workflows at Benapole including the “Benapass” software and “Benapole Land Port Automation System.”
- (vi) Prepare to implement a Single Window and Customs Modernization Plan with support from the World Bank and buy-in from 38 agencies, which will allow traders to submit all import, export, and transit information in a centralized digital portal.

⁶ World Bank. 2020. *Doing Business 2020*. Washington, DC. After the 2020 report, World Bank management paused the next *Doing Business* report.

⁷ *Business Times*. 2018. Bangladesh National Single Window for Trade.

⁸ More details on the works underway at specific border crossings are provided on page 14 and onward.

⁹ UNESCAP. 2004. *Intergovernmental Agreement on the Asian Highway Network*; UNESCAP. 2017. *Intergovernmental Agreement on the Trans-Asian Railway Network*.

¹⁰ “ASYCUDA is a computerized customs management system which covers most foreign trade procedures. The system handles manifests and customs declarations, accounting procedures, transit and suspense procedures. It generates trade data that can be used for statistical economic analysis” (UNCTAD). See UNCTAD. About ASYCUDA.

India

India is ranked 63rd in the “Trading Across Borders” category of the World Bank’s *Doing Business 2020* report. It has undertaken extensive reforms to streamline import and export procedures.¹¹ Customs has played a central role in implementing reforms to date, in conjunction with other domestic stakeholders, namely the Land Port Authority of India, Food Safety and Standards Authority of India (FSSAI), Plant Quarantine, and Animal Quarantine and Certification Services. Efforts to date have reduced the processing times and associated trade costs. Key reforms are as follows:

Hard interventions

- (i) Construct and upgrade transnational highways and railways, and make commitments to continue works under the UNESCAP initiatives for the Asian Highway Network and the Trans-Asian Railway Network (footnote 9);
- (ii) Augment border crossings from land customs stations (LCS) to more robust ICPs to make cargo processing more efficient.

Soft interventions

- (iii) Implement a Single Window Interface for Facilitating Trade (SWIFT) that allows traders to submit all documents and receive approval in one online portal.
- (iv) Establish a risk management system (RMS) that enables customs to balance facilitation and enforcement and reduce the dwell time of cargoes by clearing low-risk consignments more quickly than higher-risk cargoes.
- (v) Reduce the number of mandatory documents for clearing imports and exports to a total of three; enable digital upload of supporting documents; and optimize the use of electronic databases to streamline intra-agency communication, facilitate submission of documents, and reduce dwell times.

Chassis parking space. Parking space for chassis at Benapole land port (photo from Deloitte Touche Tohmatsu India LLP).

¹¹ World Bank. 2020. *Doing Business 2020*. Washington, DC.

GATEWAYS TO EFFICIENT TRADE

The remainder of this publication describes the key challenges and recommendations to improve trade along the three major gateways between Dhaka and Kolkata: Petrapole–Benapole, Ghojadanga–Bhomra, and Gede–Darshana. This section describes the research methods used to uncover bottlenecks and solutions at the gateways, and reviews the BCPs. The subsequent sections discuss the trade profiles, key barriers to efficient trade, and hard and soft recommendations to overcome bottlenecks for each of the gateways.

A Unique Approach for Deeper Understanding

Ongoing initiatives in Bangladesh and India are modernizing trade and connectivity systems; however, the benefits of these initiatives will take time to percolate down to the border level and offer tangible benefits to trade. It is also important to note that ongoing interventions are being implemented with varying levels of efficacy and commitment from relevant parties, and displaying varied results on the ground. It is therefore essential to complement interventions with consultation and participation of grassroots stakeholders in order to understand the issues affecting traders and government agencies along the specific routes.

Trade and connectivity assessments frequently use a top-down approach, which looks to infrastructure deficits affecting trade, as well as a comparison of trade facilitation procedures with global standards and best practices. The original study expands on the typical approach, by first taking a detailed look at the current situation on the ground along busy trade routes, and by involving a wider range of participants from the private sector and all relevant government agencies to understand progress, ongoing challenges, and the best options for the future along key trade routes and the border points servicing the route.

The objective of the original ADB study was to provide a comprehensive view of the specified trade routes (considering the opinions of all relevant stakeholders) and detailed needs assessments alongside recommendations for sequenced support. Rather than focusing on specific dimensions and global standards, the original study is unique in that it looks comprehensively at all aspects of infrastructure, trade facilitation, and logistics landscapes on an important trade route (the Dhaka–Kolkata route in this case)—considering hard interventions along road and rail links as well as BCPs, in addition to soft interventions that will complement physical works. This approach has proven particularly

useful for identifying synergies between recommendations, as well as for sequencing potential interventions over the short, medium, and long term.

To accomplish these goals, the study followed a three-phased approach that encompasses (i) an as-is assessment of the route and three gateways, as well as the corresponding policy and enabling environment for trade facilitation; (ii) gap identification, based on physical assessments, desk research, and detailed stakeholder interviews; and (iii) recommendations for support, based on the first two phases, and the production of an action plan to support investment planning and implementation over time (Figure 1).

Phase 1: As-Is Assessment. The first phase profiled each BCP in terms of: (i) commodities traded at the gateway; (ii) road and rail networks connecting the BCPs to commercial hubs and other parts of the country; (iii) infrastructure available at the gateways and in the vicinity, including hard infrastructure, equipment and

Figure 1: Framework of the Trade Routes Study

Source: Asian Development Bank.

systems, communication networks, banking facilities, and other resources; and (iv) cargo clearance procedures in use at the crossing points. The as-is assessment also reviewed the regulatory regimes governing trade facilitation and cross-border movement of cargoes, as well as the institutional mechanism adopted at the BCPs.

Phase 2: Gap Identification. Based on the as-is assessment, the second phase determined the adequacy of: (i) physical infrastructure and facilities present at the BCPs, (ii) road and rail connectivity and supporting infrastructure along the key routes, (iii) regulations governing cross-border movement of cargo vehicles, (iv) trade facilitation reforms to date, and (v) institutional mechanisms at the BCPs. The study team identified the key gaps based on inputs from concerned stakeholders (including traders, transporters, and other engaged parties), in tandem with the analysis of potential trade growth and associated infrastructure, regulatory, and institutional demands. This comprehensive grassroots approach has helped identify major gaps currently impeding trade.

Phase 3: Recommendations and Implementation Plan. The third phase made actionable recommendations to overcome key gaps, improve trade efficiency, and reduce associated costs. The study team also developed an actionable roadmap, based on the priority level of interventions and the ease of implementation. In order to support tangible results, the roadmap proposes a timeline and identifies corresponding agencies, departments, and ministries that may take responsibility for implementing each recommendation. The recommendations factor in country- and route-specific elements and international best practices.¹²

Highlights for each BCP are subsequently organized into three topics: trade profile, gaps, and recommendations.

More accessible routes. National Highway 112 leading up to Petrapole (Jashore Road) (photo from Deloitte Touche Tohmatsu India LLP).

¹² Following the three phases, a stakeholder consultation workshop was held on 12–13 March 2020 in Kolkata, India. The workshop involves discussions on the study's findings and recommendations. The study was revised taking into account the suggestions and inputs given by the stakeholders at the workshop.

THE PETRAPOLE–BENAPOLE GATEWAY

The Petrapole–Benapole gateway accounts for the largest volume of bilateral trade on land between India and Bangladesh. The Petrapole integrated check post (ICP) is on the side of India, and the Benapole land port is on the Bangladesh side.

The gateway supports both road and rail links and is undergoing continued improvements to strengthen the safe and efficient movement of people and goods. Passengers cross through the BCP from 6:00 a.m. to 6:00 p.m. daily, with passenger flows between 3,000 and 7,000 people on a daily basis. Although the gateway is designed for 24/7 operation, there is generally no cargo movement on either side on Fridays, which is a weekly holiday in Bangladesh.

Figure 2: Location of the Petrapole–Benapole Gateway

Notes:

1. The boundaries, colors, denominations, and any other information shown on the map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.
2. Please see Appendix 1 for details on specific road stretches.

Source: ADB.

Commodity Profile

In 2018, India exported a diverse basket of 936 goods to Bangladesh through the Petrapole–Benapole gateway, but 19 of these commodities accounted for roughly 60% of all Indian exports at the BCP. Major items included motor vehicles, their parts and accessories (25.5%); cotton, woven fabric of cotton, and cotton yarn (21.1%); basic metals (5%); rice (4.5%); and electrical equipment (2.3%). Although Indian exports move primarily by road, the railway crossing at Petrapole–Benapole facilitates the transport of bulk items like stone and fly ash from India to Bangladesh.

Like India, a select few commodity classes account for the majority of Bangladesh's exports through the gateway, with nearly all exports in the garments or textile sector. In 2018, only 21 of the 157 items in Bangladesh's export basket moving through the BCP accounted for about 90% of its total exports through the gateway. In the same year, there was no trade by rail through the BCP from Bangladesh to India, nor did it see the movement of bulk commodities from Bangladesh to India.

Growth in Trade

Bilateral trade expanded at a CAGR of 18.6% with Bangladeshi exports through the gateway during 2010–2018, and a 13.4% CAGR with Indian exports over the same period. The majority of trade (82.5% in 2018) at Petrapole–Benapole comprises exports from India to Bangladesh, reflecting the broader trade balance between the two countries.

Although trade through the Petrapole–Benapole BCP (by value) is increasing, the gateway's overall role in facilitating bilateral trade has decreased over time—with the gateway's share of total bilateral trade decreasing from 46.5% in 2010 to 30.3% in 2018. This shift is due to increased options for traders to move cargo through other BCPs on land, as well as through sea and air.

The gateway, as a whole, possesses relatively developed trade facilitation infrastructure and processes when compared to other land crossings between Bangladesh and India. However, further improvements will be necessary to sustain and improve trade efficiency at the gateway as bilateral trade continues to grow. In particular, addressing mismatches in parking capacity between facilities on either side of the border, as well as awareness building activities surrounding material testing, will be essential for trade facilitation at the Petrapole–Benapole BCP. Further work to augment road stretches leading up to the gateway, both in Bangladesh and India, will also be essential for facilitating trade through the BCP.

The Petrapole Integrated Check Post

Taking into account steady growth in bilateral trade, India upgraded the facilities at Petrapole from an LCS to an integrated check post (ICP) in 2016. The ICP is undergoing continued improvements, including the introduction of an online car pass system, construction of an additional entry and exit gate for cargoes, the addition of 500 parking spaces for cargo vehicles (which will increase capacity to 2,000), and improvements to passenger immigration facilities, among other upgrades.¹³ The ICP now spans about 100 acres, and houses a range of government agencies, infrastructure, and associated facilities (Table 1).

Table 1: Key Facilities Available at Petrapole Integrated Check Post

Facilities	Particulars
Hard Infrastructure	
Parking	1,050 export trucks (India) and 450 import trucks (Bangladesh)
Import Yard	27,583 metric tons (MT) (15,380 square meters [m ²])
Export Yard	1,88,502 MT (105,113 m ²)
Warehousing	4 warehouses with a combined area of 7,177 m ²
Cold Storage	1,500 meters (m)
Internal Roads	41,280 m
Boundary Wall	Boundary wall present with running length of 1,235 m
Water Supply	Water treatment plant
Certification and Testing Infrastructure	
Plant Quarantine	Plant quarantine facilities are present.
Animal Quarantine	Animal quarantine facility is present along with animal sheds.
Other Testing	Not available at Petrapole integrated check post (ICP). For testing mandated by the Food Safety and Standards Authority of India, samples are sent to laboratories in Kolkata; and the results are obtained within 2 days over e-mail.
Equipment and Systems	
Customs Automation	EDI system is available.
Risk Management System (RMS)	RMS is available along with India Customs SWIFT.
Electronic Weighbridge	2 electronic weighbridges (one for export and another for import)
Full-Body Scanner	Full-body, high-resolution scanner is being constructed.
Power Backup	Electrical substation is present to ensure uninterrupted power supply.
Security	CCTV surveillance cameras

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¹³ The “car pass” system mandates cargo-laden trucks to use a car pass valid for a single entry/exit at a land crossing station or ICP on the Indian side of the border and land ports on the Bangladeshi side, subject to specific clearance formalities. This enables cross-border movement of cargo-laden trucks without the need for international driving license, passport, and visa for the crew, and any international documents for the vehicle. The car pass system is established under Public Notice No. 02/P.N./CUS/P/WB/2012, issued by the Commissioner of Customs (Preventive), Kolkata, West Bengal, Government of India.

Table 1: *continued*

Facilities	Particulars
Communication, Banking, and Other Facilities	
Canteen	Canteen facilities are present in the dormitory building.
Restrooms/Toilets	Available for drivers, spread across two buildings
Mobile Connectivity	Poor connectivity
ICT Connectivity	Available
Banking Facility	Available within the ICP; State Bank of India counter operational for 3–4 days in a week Various banks have branches present at Bongaon (located about 7 kilometers away).
Immigration Office	Located in a separate building
Foreign exchange	Foreign exchange is available.

CCTV = closed-circuit television, EDI = electronic data interchange, ICT = information and communication technology, SWIFT = Single Window Interface for Facilitating Trade.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

Overcoming Bottlenecks to Efficient Trade

Despite progress to date, additional hard and soft interventions will be necessary to facilitate trade at the Petrapole ICP. Table 2 presents the major hard and soft barriers affecting trade efficiency at the ICP, and recommendations on how to address them. The highlighted rows indicate “spotlight” hard and soft issues, along with proposed solutions, which are described in more detail in the next paragraphs.

Table 2: Issues and Proposed Solutions for Petrapole Integrated Check Post

Key Issues	Proposed Solutions
Hard Interventions	
Traffic congestion on critical roads (NH 19, NH 112, and SH 1) slows connectivity between Kolkata and Petrapole.	Augment the identified road stretches to increase the number of lanes, or construct new routes, starting with traffic surveys and feasibility assessment for NH 112.
Presence of a single-rail line/track and the lack of railway sidings impede movement of cargo by rail.	Augment the existing single-track rail infrastructure at the ICP in terms of (i) the number of railway tracks, and (ii) railway sidings and goods yards, to facilitate import of cargo from Bangladesh by rail.
High congestion at the existing gate in the ICP results in the use of an alternate gate at the zero point outside the ICP for movement of cargo vehicles into Bangladesh.	Construct an additional gate in the ICP to facilitate (i) movement of all cargo vehicles within the customs premises, and (ii) passenger movement only at the existing zero point.
Mismatch in parking facility with limited clearance of Indian cargo on Bangladeshi side lead to significant waiting period for cargo vehicles, and result in: (i) traffic congestion in Bongaon and (ii) detention and parking charges for exporters.	Develop a dedicated “export hub” in Petrapole ICP. Implement an online parking management system. Augment parking capacity at the ICP. Allow direct movement of closed trucks/containerized cargoes that have been customs-cleared at ICD.

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Table 2: *continued*

Key Issues	Proposed Solutions
Poor mobile connectivity at the ICP impedes communication	Initiate discussions with telecom operators and improve mobile connectivity at the ICP.
Soft Interventions	
Lack of awareness regarding testing facilities and norms	Raise trader awareness of the presence of multiple NABL-accredited and FSSAI-notified laboratories in Kolkata. Initiate discussions with FSSAI for notifying the NABL-accredited laboratories for testing imports.
Partner government agencies (PGAs) do not adequately use risk management systems (RMS) to facilitate clearance/approval	Initiate discussions with the concerned PGAs to adopt RMS and compliance-based risk prioritization in order to exempt testing procedures for select consignments and facilitate clearances/approvals.
Car Pass System done manually, leading to higher time and cost of trade	Introduce an automated car pass issuance system which may later be integrated with Benapass to enable data sharing and reduce processing time.
No trade occurs on Fridays	Increase cooperation with Bangladesh authorities to ensure 24/7 operation at the ICP.

FSSAI = Food Safety and Standards Authority of India, ICD = inland container depot, ICP = integrated check post, NABL = National Accreditation Board for Testing and Calibration Laboratories, NH = national highway, SH = state highway.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

SPOTLIGHT CHALLENGE/SOLUTION 1 (HARD INTERVENTION):

Alleviating the Backlog of Export Vehicles at the Petrapole Integrated Check Post

A mismatch in parking capacity between the Petrapole and Benapole land ports leads to significant wait times for exporters on India's side of the border. The parking mismatch is exacerbated by limited clearance of Indian cargo into Bangladesh, and contributes to high parking charges and detention fees for exporters.

While the Petrapole ICP can accommodate up to 1,500 vehicles (1,050 export vehicles and 450 import vehicles), the truck terminal in the Benapole land port can only hold around 700–800 trucks. Furthermore, although the BCP is designed for 24x7 operations, in practice, it typically operates for about 10 hours a day (6 days per week) and clears between 400 and 450 consignments into Bangladesh each day.

The result is that, at any given time, there is a backlog of 3,000–3,500 trucks waiting to cross from Petrapole into Benapole. The nearby Municipality of Bongaon operates parking facilities to accommodate 800–1,000 trucks, and has issued licenses for private entities to operate about 30 additional facilities in the vicinity.

Based on conversations with traders, it is generally understood that all cargo trucks headed for Petrapole ICP need to first obtain a municipal parking pass/serial number,

on the basis of which they are allowed to enter Petrapole ICP on a first come, first served basis. Subsequently, the vehicles remain parked until they are permitted to enter the Petrapole ICP. Parking constraints at the Benapole land port, along with the absence of real-time information on parking availability at the ICP, result in wait times of at least 7–10 days for Indian export trucks.

The total cost of transporting goods from India to Bangladesh through the BCP (comprising transport, parking, detention, and transshipment charges) can be reduced by around 25% by eliminating parking and detention charges on India's side. This can be accomplished by reducing the backlog of trucks. There are four complementary ways of accomplishing this:

- (i) **Develop a dedicated “export hub” at the Petrapole ICP.** The export hub can be developed in a currently vacant space available with the ICP. Export cargo vehicles would enter the export hub directly, bypassing the facilities at Bongaon. An entry fee could be charged and shared with the Municipality of Bongaon to compensate for associated lost revenue from its parking facilities. Trucks would offload their cargo before exiting the ICP back into India, either empty or loaded with imported cargoes. The original export cargoes would be stored in existing warehouses during the time it takes the Bangladeshi importers to reach the hub and load cargoes. This measure would release the Indian trucks for gainful deployment instead of taking them out of rotation for 7–10 days.
- (ii) **Implement an online parking management system with a digital application (currently under implementation).** This will help communicate parking information, in real time, making it possible to quickly identify and allocate spaces in the ICP.
- (iii) **Augment parking facilities to accommodate 500 more vehicles (currently under implementation).** The additional space will reduce the backlog of trucks waiting outside the ICP in facilities in Bongaon and the surrounding vicinity, and reduce associated parking fees and traffic congestion.
- (iv) **Expedite the movement of closed trucks/containers.** Allow export cargo in closed trucks/containers, which have already been cleared for customs at the inland container depot (ICD)/container freight station, to move directly through the Petrapole–Benapole gateway instead of waiting in the Bongaon parking facility.

SPOTLIGHT CHALLENGE/SOLUTION 2 (SOFT INTERVENTION):

Building Knowledge of Where to Test and Certify Cargo

Consignments requiring material testing experience extended wait times when they reach the Petrapole ICP, for two reasons. The first is due to limited communication between the relevant authorities, and the second is due to a lack of awareness among traders, with respect to options for where to test consignments in India.

In 2017, the FSSAI stated that the relevant authorities in India would recognize and accept test analysis certificates issued by the Bangladesh Standards and Testing Institution (BSTI).¹⁴ However, while the National Accreditation Board for Testing and Calibration Laboratories (NABL) in India has accredited 15 laboratories in Bangladesh to perform such tests, none of them have been recognized through official notification by FSSAI.¹⁵ As a result, exports are often tested and certified at accredited laboratories in Bangladesh, but when the goods cross over into India, they are tested a second time.

Testing and certification in India can also be made more efficient. There are a number of accredited public and private laboratories in Kolkata, but few traders are aware of these laboratories. As a result, most samples are sent to the Central Food Laboratory in Kolkata, which can experience backlogs and take longer than other accredited facilities.

The most immediate solution is for FSSAI to issue a notification for recognition of NABL accredited laboratories (on the Bangladesh side), and to launch awareness-raising campaigns among traders, to identify which laboratories (in India) can provide appropriate material testing and certification. Doing so will reduce the wait time associated with import cargo reaching the Petrapole ICP and subsequently streamline clearance into India.

The Benapole Land Port

Benapole is the largest land port in Bangladesh, and is also undergoing infrastructure upgrades that will support improved import processes and trade efficiency. Ongoing works include the development of an internal four-lane road; a new parking yard, stack yard, and office buildings; a new cargo vehicle terminal; and the construction of new warehouses, transshipment sheds, open stack yard, and a drainage system. Table 3 highlights the existing facilities at Benapole.

Overcoming Bottlenecks to Efficient Trade

Despite progress to improve facilities and trade practices at the Benapole land port, traffic congestion along major roadways (including N5, N7, N8, and N706) connecting Benapole to Dhaka continue to hamper transport, and further work remains to be done to digitize risk management procedures and document processing, and to build stakeholder awareness of material testing. Key issues and proposed interventions are summarized in Table 4, and spotlight issues at Benapole are described in more detail in the next paragraphs.

¹⁴ Government of India, Ministry of Finance, Department of Revenue, Office of the Commissioner of Customs (Preventive). 2017. *Certificate of Test Analysis for Food Products Imported from Bangladesh*. Shillong, India.

¹⁵ In this context, “notification” means an official communication through a circular, or an order by a government agency. While NABL has accredited 15 laboratories, there has been no official communication or notification from FSSAI on recognizing these laboratories.

Table 3: Key Facilities Available at the Benapole Land Port

Facilities	Particulars
Hard Infrastructure	
Parking	Truck terminal can accommodate 800 trucks and 600–700 chassis; an additional 25 acres have been acquired and developed.
Import Yard	Transshipment yard is spread across a 5-acre land, facilitating transshipment of more than 250 trucks simultaneously.
Warehousing	<ul style="list-style-type: none"> • 32 warehouses and 5 warehouse-cum-yards, with total storage capacity of 40,000 metric tons (MT); separate areas demarcated for storing perishables, machinery, chassis, and chemicals, among others. • 2 open stack yards. • 5 transshipment sheds.
Cold Storage	Not available within the land port.
Boundary Wall	Boundary wall is present.
Certification and Testing Infrastructure	
Plant Quarantine	Plant quarantine facilities are present but can only perform formalin testing for fruits and vegetables, and no proper quarantine inspection is conducted.
Animal Quarantine	Animal quarantine facilities are present but only perform formalin testing for fish, and no proper quarantine inspection is conducted.
Chemical Laboratory	Chemical laboratory is present.
Bangladesh Standards and Testing Institution (BSTI)	BSTI laboratory is not available; however, BSTI has opened a collection booth at Benapole for sending the samples to the nearest divisional office in Khulna. The booth is run by one officer who facilitates collection of samples that require conformity assessment, testing, and certification.
Equipment and Systems	
Customs Automation	ASYCUDA World is used for customs, assessment, and payment.
Logistics Automation	The “Benapass” software is used to automate and issue a car pass.
Risk Management System (RMS)	Manual RMS is available.
Electronic Weighbridge	3 weighbridge scales (two 100-MT and one 50-MT)
Full-Body Scanner	1 full-body scanner is available.
Power Backup	Standby power generator is present.
Security	Select areas are covered under CCTV surveillance.
Handling Capacity	Manual: 1.2 million MT/year Equipment: 0.8 million MT/year Mobile cranes and forklifts are used.
Communication, Banking, and Other Facilities	
Canteen	Available.
Restrooms/Toilets	Available.
Mobile Connectivity	Reasonably good connectivity is available.
ICT Connectivity	Available.
Banking Facility	A branch of Sonali Bank is existing within the land port.
Immigration Office	Passenger immigration facilities are present.
Foreign exchange	Available.

CCTV = closed-circuit television, ICT = information and communication technology.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

Table 4: Issues in Benapole Land Port and Proposed Solutions

Key Issues	Proposed Solutions
Hard Interventions	
Traffic congestion on critical roads (N5, N7, N8, and N706) slows connectivity between Benapole land port and Dhaka ^a	Augment the identified road stretches by increasing the number of lanes, starting with traffic surveys and associated construction activities along N5 and N7
Poor condition of select regional and zilla road stretches (R750, Z7503, and access road to Kalna ferry crossing)—which are critical to providing connectivity between Benapole land port and Dhaka	Augment the identified roads by increasing the number of lanes and improving conditions for plying cargo
Lack of bridges at key rivers requires cargo vehicles to use ferry services, resulting in delays and high cost of trade	Develop bridges to facilitate the movement of cargo vehicles
Inadequate parking capacity at the land port, especially for import cargo vehicles	<p>Increase the parking capacity at the land port to accommodate 2,000 vehicles, especially for imports</p> <p>Explore options to use Bangladeshi trucks—which currently enter the Petrapole ICP to offload export goods and subsequently return empty to Bangladesh—to return with import cargo from across the border</p>
Poor condition of land port infrastructure, like internal roads, open yards, and the absence of cold storage facilities	<p>Augment internal roads</p> <p>Develop the open yard currently used for parking chassis</p> <p>Develop cold storage facilities</p>
Soft Interventions	
Lack of awareness among the textile exporters to secure pre-shipment certificates for textile and jute-related products	Create awareness among traders on mandatory pre-shipment testing from BSTI-recognized laboratories, and encourage textile traders to undertake pre-shipment testing for all consignments related to textile and jute products
Relatively low warehouse storage and halt charges at the land port, which discourage timely evacuation of cargo	Review the implications of, and subsequently implement progressive tariffs on (i) warehousing storage charges, and (ii) halt charges to enable quicker transshipment and evacuation of cargo at the land port ^b
BOEs not filed in advance leading to higher dwell time and congestion at the port	Create awareness among traders to encourage the advance filing of BOEs to reduce the dwell time of cargo at the port
Document checking is done manually, due to the lack of an online system for uploading documents, leading to higher dwell time and transaction cost	Develop an online facility to enable online submission of documents and facilitate paperless processing of all supporting documents
Use of a manual risk management system (RMS) to identify low- and high-risk cargoes	Introduce an automated RMS to ensure objectivity in facilitation and enforcement, and expedite release of low-risk cargo
Absence of a single window system for online submission of documents through a single-entry point and to facilitate seamless online exchange of information between the concerned regulatory agencies	Implement a National Single Window System (SWS) integrated with all concerned regulatory agencies providing clearances/approvals to the traders ^c

BLPA = Bangladesh Land Port Authority, BOE = bill of entry, BSTI = Bangladesh Standards and Testing Institution, ICP = integrated check post, N = national highway (e.g., N5), R = regional road (e.g., R750), Z = zilla/district road (e.g., Z7503).

^a Please see Appendix 1 for details on recent developments.

^b In a stakeholders' workshop held in March 2020, the BLPA noted that progressive tariffs have been implemented on warehouse storage charges and halt charges, to enable quicker transshipment and evacuation of cargo.

^c Discussions during a workshop held in March 2020 mentioned that the SWS implementation is in progress.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

SPOTLIGHT CHALLENGE/SOLUTION 3 (HARD INTERVENTION):

Streamlining Imports at the Benapole Land Port

The truck terminal in the Benapole land port does not have enough space to accommodate import cargo vehicles. The import parking lot should be expanded to accommodate 2,000 vehicles in order to match export capacity on the Petrapole side. As the Benapole land port undergoes expansion to accommodate more vehicles, complementary upgrades can help improve logistical efficiency. This mismatch, and the consequent adverse impact on trade efficiency, highlights the need for coordinated development of border infrastructure.

Currently, Bangladeshi trucks enter the Petrapole ICP to offload export goods, and subsequently return empty to Bangladesh. These empty trucks could be used to carry import cargo from India across the border, and vice versa. This arrangement would reduce the traffic of export cargo vehicles moving from Petrapole to Benapole, decrease the movement of empty trucks, and could partly address parking issues at Benapole.

Assessing the suitability of this approach at the Petrapole–Benapole BCP would require further analysis to examine the need for associated changes in procedures and supporting technology. However, India has successfully implemented a similar approach domestically at the Jawaharlal Nehru Port Trust (JNPT), which allows trucks carrying export products to the port to return with import goods. The use of third-party software at JNPT has proven successful in delivering a range of associated services, like real-time visibility, automated vehicle booking, gate appointments, and trip optimization. The best practices developed for JNPT could potentially be adopted to suit the Petrapole–Benapole BCP context.

SPOTLIGHT CHALLENGE/SOLUTION 4 (SOFT):

Building Awareness Among Textile Exporters on Testing and Certification Options

Textile imports traveling into India must conform with azo-dye regulations and norms related to jute batching oils, depending on the type of consignment. In order to demonstrate conformity with Indian laws, consignments need to be tested and certified. Indian authorities will recognize certification provided by any BSTI-recognized laboratory. This means that exporters can procure pre-shipment certificates in Bangladesh and send consignments to India without the need for testing upon arrival at Petrapole. Doing so can reduce the time to clear the imported products in India.

However, many textile traders are not aware of the option to pre-certify their consignments, which leads to increased time for trade—often requiring consignments

to wait at the Petrapole ICP for as much as 2 days, while material tests are conducted in laboratories in Kolkata.

Given that India recognizes pre-shipment certification provided by laboratories in Bangladesh, the Government of Bangladesh may consider building knowledge among its textile exporters and encouraging them to undertake pre-shipment testing for all such consignments. Doing so would reduce turnaround time and streamline trade.

Accommodating import cargo vehicles. Inside Petrapole BCP (photo from Deloitte Touche Tohmatsu India LLP).

THE GHOJADANGA–BHOMRA GATEWAY

The Ghojadanga–Bhomra gateway is among the prominent ports for bilateral trade between India and Bangladesh. It facilitates the movement of approximately 300–350 export trucks from India, 100 export trucks from Bangladesh, and a total 1,400 passengers per day. The Ghojadanga LCS is located in India, and the Bhomra land port is in Bangladesh. The gateway operates 6 days per week, from 8:00 a.m. to 6 p.m., and is closed on Fridays for the weekly holiday in Bangladesh.

Export facilities on the Bangladeshi side of the BCP typically experience less truck congestion than those at the Petrapole–Benapole crossing, allowing quicker export processing times from Bangladesh to India. As a result, the BCP is becoming a preferred alternate for trade moving along the Dhaka–Kolkata route. However, overall congestion at the BCP will be a growing concern as trade flows through the gateway continue to increase, which will need to be addressed through improved infrastructure and processes.

Figure 3: Location of the Ghojadanga–Bhomra Gateway

Notes:

1. The boundaries, colors, denominations, and any other information shown on the map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.
2. Please see Appendix 2 for details on specific road stretches.

Source: ADB.

Commodity Profile

Although India does not impose item-specific restrictions at the gateway, imports into Bangladesh are limited to 76 permissible items, as the Bhomra land port does not admit items that require BSTI certification. As with the Petrapole–Benapole gateway, a relatively small list of items accounts for the majority of trade passing through Ghojadanga–Bhomra BCP.

In 2018, Indian exports through the BCP comprised a total of 34 commodity types, with 12 of these items accounting for 96% of exports. These included (by value) food products, such as onion and other alliacious vegetables (28.5%), peppers (18.8%), rice (10.9%), and spices (6.5%); though approximately 30%–35% of Indian exports (by volume) were stone chips.

Bangladeshi exports moving from Bhomra to Ghojadanga in the same year comprised mostly jute items, cotton fabrics, and food products from Dhaka. The addition of cold storage facilities at the BCP could facilitate a wider range of export products through the gateway.

Growth in Trade

The Ghojadanga–Bhomra gateway accounted for 1.25% of all bilateral trade in 2018 (or 3.3% of trade on land) and experienced a 5.2% CAGR from 2015 to 2018. Similar to the Petrapole–Benapole BCP, the majority (86%) of trade through Ghojadanga–Bhomra in 2018 comprised exports from India to Bangladesh. Although Indian exports presently account for most of the trade passing through the gateway, Bangladeshi exports are growing at a faster rate. From 2015 to 2018, Indian exports through the Ghojadanga–Bhomra BCP expanded at a 2.6% CAGR, while Bangladeshi exports registered a sharp 31.7% CAGR. Augmenting facilities at both Ghojadanga and Bhomra will be essential to support continued growth.

The Ghojadanga Land Customs Station

The Ghojadanga LCS is spread out across an acre of land and lacks some essential facilities to accommodate trade (Table 5). Accordingly, the Land Port Authority of India (LPAI) is planning to upgrade the LCS to an ICP to improve efficiency, address security concerns, and foster increased trade flows through the broader BCP. The LCS is currently acquiring half an acre to accommodate new facilities and will operationalize a plant quarantine facility soon.

Table 5: Key Facilities Available at the Ghojadanga Land Customs Station

Facilities	Particulars
Hard Infrastructure	
Parking	Not available. The LCS houses various customs and immigration offices but lacks space to accommodate any parking for import/export trucks.
Import Yard	
Export Yard	
Warehousing	
Cold Storage	
Boundary Wall	Present
Certification and Testing Infrastructure	
Plant Quarantine	Plant quarantine office is present, which is currently defunct.
Other Testing	Not available at Ghojadanga LCS.
Equipment and Systems	
Customs Automation	Electronic Data Interchange System is available since 15 May 2019. However, the SWIFT is not available for either exports or imports.
Risk Management System	Available
Electronic Weighbridge	Not available
Full-Body Scanner	Not available
Power Backup	Not available
Communication, Banking, and Other Facilities	
Canteen	Local hotels are available.
Restrooms/Toilets	Available
Mobile Connectivity	Poor mobile network
ICT Connectivity	Poor internet connectivity
Banking Facility	State Bank of India branch is available 11 kilometers away
Immigration Office	Present within the LCS premises
Foreign Exchange	Available

ICT = information and communication technology, LCS = land customs station, SWIFT = Single Window Interface for Facilitating Trade.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

Overcoming Bottlenecks to Efficient Trade

The Ghojadanga LCS has the potential to play a larger role in facilitating trade than it currently does. While imports from Bangladesh through the LCS are increasing in volume, shortages of space and facilities will begin slowing the use of the BCP if not addressed. The LPAI is currently working to address key constraints by acquiring land to undertake expansion of the LCS into a complete ICP. Ongoing expansion will help address the core challenges highlighted in Table 6 and in the next paragraphs.

Table 6: Issues and Proposed Solutions for Ghojadanga Land Customs Station

Key Issues	Proposed Solutions
Hard Interventions	
Traffic congestion on critical roads (NH19 and NH112) slows connectivity between Kolkata and Ghojadanga LCS	Augment the identified road stretches to increase the number of lanes, or construct new routes, starting with traffic surveys and feasibility assessment for NH112.
Poor condition of select district road stretches (Berachampa–Baduria Road, Tentulia–Basirhat Road, Old Satkhira Road, and Tentulia Road)—which are critical for connectivity between Kolkata and Ghojadanga LCS	Augment the identified roads by increasing the number of lanes and improving conditions for plying cargo.
Poor condition of bridges, like Tentulia Bridge and Ichhamati Bridge, which are critical for connectivity between Kolkata and Ghojadanga LCS	Augment the identified bridges by assessing the bridge condition and increasing the load-bearing capacity.
Passenger and cargo using the same roadway and gate to cross borders leads to congestion	Develop a separate road-link for cargo and passenger cross-over at the border.
Absence of halting and maintenance/repair facilities enroute to the LCS	Initiate discussions with stakeholders and set up adequate halting as well as maintenance/repair facilities enroute to the LCS.
Inadequate infrastructure at the LCS to facilitate trade and passenger immigration	Initiate discussions with the concerned agencies to acquire land for upgrading the LCS infrastructure to include parking area, import inspection yards, warehouses, banking facility, and electronic weighbridges, among others.
Traffic congestion of export cargo vehicles in the LCS vicinity	Discuss with concerned agencies the implementation of an online parking management system to display real-time parking slot availability at the Ghojadanga LCS, to (i) reduce waiting time and associated costs, and (ii) traffic congestion near Basirhat.
Poor mobile connectivity at the LCS impedes communication	Initiate discussions with telecommunication operators and improve mobile connectivity at the ICP.
Soft Interventions	
RMS not operational for facilitating imports	Operationalize RMS and review its impact on facilitation of imports. ^a
SWIFT not operational for exports or imports; requiring that each agency be individually approached	Initiate discussions with the concerned agencies for implementing SWIFT for imports and exports.
Car pass system manually done leading to increased waiting time and cost of trade	Introduce an automated car pass issuance system with subsequent integration into Benapass, to reduce processing time.

ICP = integrated check post, LCS = land customs station, NH = national highway, RMS = risk management system, SWIFT = Single Window Interface for Facilitating Trade.

^a Discussions with customs officials during a workshop held in March 2020 at Kolkata, India mentioned that the RMS has been recently introduced to facilitate imports.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

SPOTLIGHT CHALLENGE/SOLUTION 5 (HARD INTERVENTION):

Constructing Essential Land Customs Station and Integrated Check Post Infrastructure

The LCS has inadequate space within its premises to facilitate the necessary customs procedures for the current volume of cargo vehicles. As a result, import vehicles wait at private parking facilities outside of the LCS premises, within a 1- to 2-kilometer radius, where they undergo physical verification and assessment. At the same time, export trucks preparing to leave India are forced to line up along the roadside, which contributes to heavy traffic congestion in the road leading to the LCS. Furthermore, although Ghojadanga has been notified as an entry point for the import of plants and plant materials, the plant quarantine office at Ghojadanga is not yet functional. This means that, although the LCS can, in principle, be used as an import site for plant items, the lack of associated facilities blocks this activity in practice.

To support growth, the Ghojadanga LCS needs to address the following core infrastructure constraints: (i) the absence of any parking and inspection facilities within the LCS premises requires the use of private parking facilities, which creates security risks, including opportunities for pilferages; (ii) the absence of a warehousing facility in the LCS and the lack of storage for perishables and testing for plants within the vicinity restrict the range of commodities traded through the gateway; and (iii) the lack of equipment for handling cargo within the LCS, such as an electronic weighbridge or scanning machine, requires the use of external vendors, which contributes to inconsistencies in weighments. Development of these facilities, operationalization of plant quarantine, and establishment of banking facilities are practical next steps for improving trade through the LCS.

Upgrades to the LCS can be fast-tracked since the Government of India has granted “in principle” approval for developing the site into an ICP. The first step is to acquire the appropriate land (a total of 0.56 acre is currently being procured) and to begin constructing the aforementioned facilities. In the interim, India may encourage the use of ICDs and container freight stations to ease congestion. The development of inland customs facilities in the vicinity can help conduct cargo clearance formalities at locations of greater convenience to trade and decongest the border.

SPOTLIGHT CHALLENGE/SOLUTION 6 (SOFT INTERVENTION):

Manual Risk Management and Document Processing

The LCS has not yet implemented a SWIFT platform, which means that traders need to submit paperwork to various government agencies to request approval for cargo clearance. Manual submission of paperwork to various entities significantly increases

the time and effort required to process documents and allow imports. Implementing a SWIFT platform at the Ghojadanga LCS would allow traders to submit all paperwork in a single place, thereby increasing the efficiency of document processing and imports.

The Bhomra Land Port

The land port at Bhomra possesses relatively more advanced facilities than its counterpart in India and is also undergoing augmentation that will convert it into a fully functioning land port with extended terminal capacity (Table 7). The land port is in the process of acquiring 10 acres of land adjacent to the existing facilities, which will provide additional parking space for 200 trucks and house the essential land port facilities.

Table 7: Key Facilities Available at the Bhomra Land Port

Facilities	Particulars
Hard Infrastructure	
Parking	300 trucks capacity
Import Yard	Available
Export Yard	Not available
Warehousing	Two sheds are available, with a total capacity of 1,000 metric tons spread across 32,000 square feet
Cold Storage	Not available
Boundary Wall	Present
Certification and Testing Infrastructure	
Agricultural Extension Department	Present at Bhomra and conducts tests to check presence of formalin and other toxic substances
Plant Quarantine	Facility is available but only pathogen and insect testing are currently conducted at Bhomra
Fish Quarantine	Not available as testing can be done at Satkhira (20 kilometers away)
Bangladesh Standards and Testing Institution (BSTI)	As the Ghojadanga–Bhomra gateway does not allow imports of goods that require BSTI testing, there is no BSTI establishment Customs House is present at Khulna, and undertakes chemical tests
Equipment and Systems	
Customs Automation	ASYCUDA World is operational for customs assessment, inspection, and payment process.
Risk Management System	Not available
Electronic Weighbridge	1 weighbridge is present
Full-Body Scanner	Not available
Loading/Unloading Equipment	Not available
Security	The premises are under CCTV surveillance.

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Table 7: continued

Facilities	Particulars
Communication, Banking, and Other Facilities	
Rest Rooms/Toilets	Available
Mobile Connectivity	Adequate
ICT Connectivity	Adequate
Banking Facility	Sonali Bank is present at Bhomra
Immigration Office	Available

ASYCUDA = Automated System for Customs Data, CCTV = closed-circuit television, ICT = information and communication technology.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

Overcoming Bottlenecks to Efficient Trade

Ongoing works to augment the facilities at Bhomra will allow the land port to process 500 trucks per day. Upgrades underway include the addition of 200 spaces for trucks, augmentation of internal roads, installation of an additional weighbridge, and deployment of a full-body truck scanner. These activities will address some of the core barriers and drive greater trade efficiency through the gateway. Further interventions to expand the list of permissible goods entering Bangladesh may facilitate greater use of the gateway (Table 8).

Table 8: Issues and Proposed Solutions for Bhomra Land Port

Key Issues	Proposed Solutions
Hard Interventions	
Traffic congestion on critical roads (N5, N7, N8, and N706) slows connectivity between Bhomra land port and Dhaka ^a	Augment the identified road stretches to increase the number of lanes, or construct new routes, starting with traffic surveys and feasibility assessment for N5 and N7.
The lack of bridges at key rivers requires cargo vehicles to use ferry services, resulting in delays and high cost of trade	Develop bridges to facilitate the movement of cargo vehicles at Daulatdia–Paturia ferry crossing.
Poor condition of select district road stretches (Satkhira–Bhomra Highway, Z7602, R760, and R755)—which are critical for providing last mile connectivity between Bhomra land port and Dhaka	Augment the identified roads by increasing the number of lanes and improving conditions for plying cargo.
Passenger and cargo using the same roadway and gate to cross borders leads to congestion	Establish a separate road link for cargo and passenger cross-over to be developed at the border.
Absence of halting and maintenance/repair facilities enroute to the LCS	Initiate discussions with stakeholders and set up adequate halting as well as maintenance/repair facilities enroute to the LCS.
Inadequate parking capacity at the land port, for import and export cargo vehicles	Identify land to increase the parking capacity at the land port to accommodate 1,000–1,500 vehicles, for both imports and exports.

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Table 8: *continued*

Key Issues	Proposed Solutions
Soft Interventions	
Prevalence of relatively low halt charges at the land port delaying timely evacuation of cargo	Review the impact of recently introduced progressive tariff charges on the quick evacuation of cargo at the land port. ^b
Limited number of allowable import items (which do not require conformity assessment tests or certification) traded at the port	Revisit the list of 76 allowable import items and gradually increase the import items in a phased manner, following stakeholder discussions.
BOEs are not filed in advance leading to longer waiting time and higher cost of trade	Sensitize traders to the benefits of advance filing of BOEs to reduce dwell time of cargo at the port.
Document checking is done manually due to the lack of an online system for uploading documents, leading to higher dwell time and transaction cost	Develop an online facility to enable online submission of documents and facilitate paperless processing of all supporting documents.
Use of a manual risk management system (RMS) to identify low-risk and high-risk cargo	Introduce an automated RMS to ensure objectivity in facilitation and enforcement, and expedite release of low-risk cargo.
Absence of a single window system for online submission of documents through a single-entry point and to facilitate seamless online exchange of information between the concerned regulatory agencies	Implement a National Single Window System (SWS) integrated with all concerned regulatory agencies providing clearances/ approvals to the traders. ^c
Absence of an automated system to expedite cargo clearance processes at the port	Implement the Land Port Automation System to automate processes at the port.
Car pass system done manually leading to increased waiting time and cost of trade	Introduce an automated car pass issuance system which may later be integrated with the automated system in India to enable data sharing and reduce processing time.
Absence of a customs house at Bhomra resulting in loss of trade for several items which require approval from concerned customs authorities	Develop a customs house so that port-level restrictions may be lifted.

BOE = bill of entry, ICP = integrated check post, LCS = land customs Station, NH = national highway.

^a Please see Appendix 2 for details on recent developments.

^b As of March 2020, the Bangladesh Land Port Authority has recently introduced a progressive tariff structure.

^c Discussions during a workshop held in March 2020 mentioned that the SWS implementation is in progress.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

SPOTLIGHT CHALLENGE/SOLUTION 7 (HARD INTERVENTION):

Augmenting Parking Capacity

The land port at Bhomra does not have enough space to accommodate import cargo vehicles, which in turn contributes to a backlog of export vehicles on the Indian side of the border. To address this issue, the Bhomra ICP will ultimately need parking capacity to accommodate between 1,000 and 1,500 vehicles to align with its Indian counterpart.

Export capacity from Bangladesh to India at the gateway is also constrained by the lack of facilities at Bhomra. The land port does not presently have a truck terminal for export vehicles, and there is a lack of privately-operated parking facilities in the

vicinity. The lack of space for exporters leads to congestion, particularly on the last mile of road leading up to the land port. This issue can be addressed by establishing a terminal for export trucks to reduce congestion.

SPOTLIGHT CHALLENGE/SOLUTION 8 (SOFT INTERVENTION):

Expanding the List of Permissible Import Items to Increase Use of the Gateway

Presently, Bangladesh only admits 76 goods through the Bhomra land port. The list is aligned with goods that do not require BSTI testing and certification. The limited list of goods that can be imported through Bhomra restricts use of the gateway, and forces traders in India to export goods not on the list through alternative gateways, including the Petrapole–Benapole BCP.

Expanding the list of permissible items can increase use of the gateway, and in turn help decongest other gateways between the two countries. Bangladesh may consider gradually expanding the list of permissible imports through Bhomra. To do so, relevant agencies will need to approve additional items on the list of permissible import items, and the land port may require additional infrastructure and facilities to support associated processing.

Expanding the use of the gateway. Inside Ghojadanga land customs station premise (photo from Deloitte Touche Tohmatsu India LLP).

THE GEDE–DARSHANA GATEWAY

The Gede–Darshana Gateway is unique in several respects. First, at present, it only facilitates trade by rail. Second, cargo passing through it moves only in one direction, from India to Bangladesh; and third, it connects India and Bangladesh to the broader Asian community through the Trans-Asian Railway Network, which provides an onward link to Southeast Asia through northeastern India. Gede sits on the Indian side of the border, and Darshana in Bangladesh.

Although the gateway plays an important role in supporting Indian exports, it has the potential to play a much larger role in facilitating bilateral trade. While northern Bengal is connected to Bangladesh through several LCSs, connectivity on the southern side is limited to Petrapole and Ghojadanga, both of which experience high congestion. For almost 300 km along the southern border, there are no other crossing points. Gede is located 80 km north of Petrapole, and is ideally situated to bridge this gap, particularly if the BCP is augmented to support trade by road. The gateway can reduce congestion at the other two crossings, and also provide cross-border access to many parts of West Bengal, Jharkhand, and Bihar in India, as well as Chuadanga, Meherpur, Jhinaidaha, Kushtia, Magura, Rajbari, and Pabna in Bangladesh—all of which are currently underserved.

In addition to its role facilitating Indian exports, the railway boasts historical significance. The route from Darshana to Jagotee, in Bangladesh, was the first rail line in the country—established on 15 November 1861—and was originally built to support the sugarcane industry. Further, the Gede–Darshana gateway is the border crossing for the famous Maitree Express, which was the first international train route between Dhaka and Kolkata.

Today, the gateway sees movement of about 1,200–1,300 passengers per day and plays a growing role in facilitating the movement of bulk goods from India to Bangladesh. The gateway operates seven days per week, from 6:00 a.m. to 6:00 p.m., and occasionally stays open till 9 p.m. to allow cargo to pass into Bangladesh.

Commodity Profile

Although there are no regulations that prohibit the movement of goods from Bangladesh to India at the crossing, in practice, trade along the railway is one-sided. This is largely because the railway only admits full rakes between the two countries—a full rake comprises a minimum of 42 wagons, which is roughly equivalent to 2,500 metric tons (MT). As a result, traders tend to use road networks for non-bulk items (as it is challenging to aggregate sufficient demand) even though rail transport is less expensive and quicker. Since

Bangladesh does not export high volumes of bulk products along the Dhaka–Kolkata route, there is not enough demand from Bangladesh to satisfy minimum shipping requirements on the railway.

Assessment of India's export basket on the Gede–Darshana route (as well as exports by rail through Petrapole–Benapole) signals a clear preference to use rail transport for bulk items, and as of July 2018, the gateway admits a list of only 36 permissible goods into Bangladesh. The list includes stone, fly ash, soy meal, and rice. India's exports through the gateway (by volume) are dominated by stone, fly ash, de-oiled cake, grains, and sugarcane (Figure 4).

Figure 4: Major Commodities (by volume) Exported by India via Gede–Darshana, 2018–2019
(% share)

MT = metric tons.

Source: Government of India, Eastern Railways.

Growth in Trade

From 2014 to 2018, India's exports to Bangladesh through the gateway experienced a 36.1% CAGR. During fiscal year 2018, exports through Gede–Darshana reached about 1.2 million MT, and in 2018, the gateway accounted for 5.3% of India's total exports by land to Bangladesh. Supporting increased use of the gateway will require logistical improvements along both the Bangladeshi and Indian railway systems, to achieve better connectivity between points of origins for the bulk materials, and points of consumption in Bangladesh. Further work to introduce road connectivity at the BCP could substantially augment its use for bilateral trade.

Emerging Transport Bottlenecks to and from the Gateway

On the Indian side of the gateway, rail links providing connectivity between points of origin (for bulk goods) and the gateway are overused and congested. Goods traveling across India to reach Gede use railways that are either nearing or exceeding capacity. In particular, fly ash traveling from geothermal plants in West Bengal already experiences high congestion, with railway utilization rates reaching 109% of recommended capacity. Figure 5 and Table 9 present the key domestic rail routes, current utilization levels, and projects underway to address congestion. If demand for Indian exports continues to grow, so too will the need to augment select stretches of the railway network.

Figure 5: Utilization of Major Rail Routes Across West Bengal

Note: The boundaries, colors, denominations, and any other information shown on the map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

Source: Government of India, Eastern Railway, South Eastern Railway.

Table 9: Key Cargo Rail Routes and Augmentation Projects

Connectivity	Stretch	Utilization ^a	Proposed Projects
Cargo originating from various thermal power plants in West Bengal	Gomoh to Sitarampur	109%	Eastern Dedicated Freight Corridor
	Sitarampur to Andal	109%	Eastern Dedicated Freight Corridor; four flyovers proposed
	Andal to Shaktigarh	109%	Eastern Dedicated Freight Corridor
	Shaktigarh to Bandel	96%	Third line being added to the route, under construction.
	Bandel to Naihati	80%	–
	Naihati to Gede (via Ranaghat)	80%	–
Cargo originating from Maharashtra and Madhya Pradesh	Chakuliya to Kharagpur	85%	Third line being added to the route, under construction.
	Kharagpur to Howrah	85%	Proposed: survey has been approved for a fourth line.
	Howrah to Bandel	90%	–
	Bandel to Naihati	80%	–
	Naihati to Gede (via Ranaghat)	80%	–

^a The data on utilization are provided by Eastern and South Eastern Railways.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

When goods reach Bangladesh, a different set of logistical challenges arise. The railway system in Bangladesh has an inadequate load carrying capacity, and railway sidings are too short to accommodate the full length of trains coming from India. Due to poor track condition in Bangladesh, wagons can carry 58 MT, whereas in India they can typically carry 64 MT of load. Furthermore, railway sidings in Bangladesh do not have sufficient length to accommodate all 40–42 wagons per rake traveling from India, contributing to inefficiencies in unloading at Darshana.

The Gede Land Customs Station

The Eastern Railway Division of Indian Railways owns and maintains the infrastructure connecting Gede to Darshana. The system for transporting goods from India to Bangladesh works as follows: Trains are loaded with cargo at their place of origin and subsequently undergo customs procedures at Ranaghat (Krishnanagar), which is a city in West Bengal close to Gede.¹⁶ The procedures that take place at Ranaghat typically include filing shipping bills, undergoing inspection and assessment, and issuance of the Let Export order. Since Gede is the official cross-over point to Darshana, officials there generate relevant customs and cargo release documents. Once in Darshana, wagons are either unloaded or sent to their destinations using

¹⁶ Export procedures are conducted at Ranaghat because it is more effective to conduct such procedures at the loading point rather than at Gede, where the goods come already loaded in wagons.

Bangladeshi engines. Engines that belong to the Eastern Railway return to India with the empty wagons, and the customs officials at Gede monitor the number of wagons returning to India.

Overcoming Bottlenecks to Efficient Trade

Currently, there is no last-mile road link within 300 meters of Gede, and there are no facilities for unloading and clearing import cargo to enable rail imports from Bangladesh. If demand for Bangladeshi exports into India were to increase enough to meet minimum shipping requirements on the railway, Gede would need corresponding facilities to enable inbound trade. The same will be true if the gateway begins to facilitate transport by road. The key to increasing use of the gateway for bilateral trade is to introduce road connectivity, and to develop the requisite infrastructure to facilitate imports at the LCS (Table 10).

Table 10: Issues and Proposed Solutions for Gede Land Customs Station

Key Issues	Proposed Solutions
Hard Interventions	
Poor condition of select district road stretches (Banpur–Majhdia road and Banpur–Gede road) along with presence of an underpass with very low height; these roads are critical for providing connectivity between Kolkata and Gede LCS	Augment the identified roads by increasing the number of lanes and improving conditions for plying cargo Increase the height of the underpass to facilitate movement of cargo-laden trucks
Absence of railway infrastructure to facilitate imports from Bangladesh	Augment railway infrastructure by developing rail siding and goods yard for off-loading cargo along with import inspection zone
Inadequate infrastructure at the LCS to facilitate trade	Upgrade LCS infrastructure by developing parking area, import inspection yards, warehouses, quarantine facilities, banking facility, and electronic weighbridges, among others, to facilitate trade via both road and rail routes
Absence of last mile road connectivity at the border	Develop a 300-meter road stretch on India's side leading up to the border
Poor mobile connectivity at the LCS impedes communication	Initiate discussions with telecommunication operators and improve mobile connectivity
Soft Interventions	
All trade is done via rail; road network has potential, but currently not utilized	Facilitate trade via the road route at Gede–Darshana and decongest the Petrapole–Benapole gateway
RMS not operational for exports	Review the impact of operationalizing the RMS for exports at Ranaghat ^a
eSANCHIT facility not operational at Ranaghat resulting in manual submission of documents	Fully implement the eSANCHIT facility (footnote a)

eSANCHIT = e-Storage and Computerized Handling of Indirect Tax Documents, ICP = integrated check post, LCS = land customs station, RMS = risk management system.

^a Discussions with key officials during a workshop held in March 2020 at Kolkata mentioned that the RMS has been implemented in November 2019 to facilitate exports and the eSANCHIT has been recently introduced for online uploading of documents.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

SPOTLIGHT CHALLENGE/SOLUTION 9 (HARD INTERVENTION):

Improving Roadways to the Gede–Darshana Gateway

Enabling trade by road at the Gede–Darshana gateway would alleviate congestion at the other BCPs discussed in this study and provide traders with a conveniently placed BCP, thereby significantly improving overall trade flows between India and Bangladesh. However, road connectivity on key routes (including national and state highways and smaller roads) leading to Gede experience high traffic congestion, and the roads are in poor condition. Decreasing traffic congestion and upgrading specific road stretches would support the viability of the Gede–Darshana gateway as a road link for bilateral trade.

The National Highway 19 currently experiences high traffic congestion and is undergoing expansion to address this concern. The portion of National Highway 19 that connects Barakar to Panagarh has six lanes, but the stretch from Panagarh to Palsit has only four. The National Highways Authority of India has initiated procurement activities to expand the portion from Panagarh to Palsit to six lanes, which will reduce traffic congestion.

In addition to the national highway, road stretches connecting Krishnanagar to Gede—which comprise state highways and district roads—will also require augmentation. Infrastructure works would need to (i) construct additional lanes along some stretches, (ii) improve road conditions, and (iii) increase the height of an underpass to allow the passage of cargo vehicles.

Crucially, the Gede LCS lacks the last mile road connectivity to link it to the zero point on the Bangladeshi border. There is a 300-meter track of land leading to the zero point which requires a road to provide connectivity with Darshana.

SPOTLIGHT CHALLENGE/SOLUTION 10 (HARD INTERVENTION):

Enabling Imports with Associated Infrastructure and Facilities

The Gede LCS is not built to support imports, and lacks the key facilities for unloading, storing, and inspecting cargo. The LCS will need rail sidings to enable the unloading of cargo from trains, as well as broader upgrades to facilitate import by road and rail.

Some of the key infrastructure and facility upgrades to be considered within the LCS boundary wall should include the addition of parking facilities for trucks, an import yard (wherein imports could be subject to inspection), warehouses, plant and animal quarantine facilities, electronic weighbridges, and full-body truck scanners. In addition, a yard at Ranaghat should be constructed to facilitate cargo examination. Further upgrades, such as improved mobile connectivity and the introduction of banking facilities, would help establish the LCS as a viable trade post for both imports and exports.

The Darshana Land Port

Darshana has been a trading post for 159 years and possesses more robust trade facilities than its counterpart in India. The railway station has six tracks, which allows cargoes to be offloaded along four sidings, with the remaining two tracks used for moving trains. The station at Darshana has a demarcated customs area where customs formalities take place, and the land port houses a customs office, and clearing and forwarding agents. Darshana also has plant and animal quarantine facilities and reasonably good mobile and internet connectivity, and has implemented ASYCUDA World, which is utilized for filing Bills of Entry.

Overcoming Bottlenecks to Efficient Trade

Despite the relatively advanced facilities at Darshana, the land port is not optimized for trade by road, and import restrictions limit its use for items beyond bulk commodities. Improvements to infrastructure at the land port and in the surrounding area can open it up for use by Bangladeshi exporters and increase trade flows (Table 11). Extending the list of permissible import items can further increase use of the gateway by Indian exporters.

SPOTLIGHT CHALLENGE/SOLUTION 11 (HARD INTERVENTION):

Developing Infrastructure to Support Trade by Road

Like Gede, the Darshana land port has to be optimized to facilitate trade by road. The keys to doing so are to develop the last-mile connectivity for cargo vehicles to reach the zero point between India and Bangladesh, and to establish a trade facilitation infrastructure within the land port to admit trucks and their cargoes. Currently there is a 790-meter stretch of land on the Bangladeshi side of the border, which will need to be developed into a road to bridge crossing and clearance facilities between Bangladesh and India.

In addition to improving cross-border road connectivity to the gateway, the Darshana land port will need to add infrastructure including parking for trucks, an import yard, warehouses, plant and animal quarantine facilities, electronic weighbridges, full-body truck scanners, and communication and banking facilities. Doing so will open the overall gateway to a wider range of trade activities and help decongest the other BCPs.

Table 11: Issues and Proposed Solutions for Darshana Land Port

Key Issues	Proposed Solutions
Hard Interventions	
Traffic congestion on critical roads (N5, N7, and N8) slows connectivity between Darshana land port and Dhaka	Augment the identified road stretches to increase the number of lanes, or construct new routes, starting with traffic surveys and feasibility assessment for N5 and N7.
Inadequate length of rail sidings at Darshana, adversely impacts loading/unloading of cargo	Increase the length of the siding to expedite loading/unloading of cargo and turnaround time for wagons.
Load restrictions on the existing Jamuna Multi-Purpose Bridge deter movement of loaded cargo rake to Dhaka	Develop a dry port or an inter-modal transshipment facility near the bridge area (in Sirajganj district), to enable movement of cargo/containers by rail up to this point and by road thereafter.
Inadequate infrastructure at the land port to facilitate trade via both road and rail route	Upgrade land port infrastructure by developing parking area, import inspection yards, warehouses, quarantine facilities, banking facility, and electronic weighbridges, among others.
Absence of last mile road connectivity at the border	Develop a 790-meter road stretch on the Bangladesh side leading up to the border.
Soft Interventions	
All trade is done via rail; road network has potential, but currently not utilized	Facilitate trade via the road route at Gede–Darshana and decongest the Petrapole–Benapole gateway.
BOEs not filed in advance leading to higher dwell time and congestion at the port	Create awareness among traders to encourage the advance filing of BOE, in order to reduce the dwell time of cargo at the port.
Document checking is done manually due to the lack of an online system for uploading documents, leading to higher dwell time and transaction cost	Develop an online facility to enable online submission of documents and facilitate paperless processing of all supporting documents.
Use of a manual risk management system (RMS) to identify low-risk and high-risk cargo	Introduce an automated RMS to ensure objectivity in facilitation and enforcement, and expedite release of low-risk cargo.
Absence of a single window system for online submission of documents through a single-entry point and to facilitate seamless online exchange of information between the concerned regulatory agencies	Implement a National Single Window System integrated with all concerned regulatory agencies providing clearances/approvals to the traders. ^a
Limited number of allowable import items traded at the port, which do not require conformity assessment tests or certification	Revisit the list of 36 allowable import items and gradually increase the import items in a phased manner, following stakeholder discussions.

BOE = bill of entry, N = national highway (e.g., N5).

^a Discussions with key officials during a workshop held in March 2020 at Kolkata mentioned that the implementation of the Single Window System is in progress.

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

SPOTLIGHT CHALLENGE/SOLUTION 12 (SOFT INTERVENTION):

Increasing the List of Permissible Imports to Scale Up Trade

The Darshana land port only admits 36 types of goods, in line with the Statutory Regulatory Order issued by the Customs Division of the National Board of Revenue on 17 July 2018. Permissible items are primarily bulk commodities, including stone, fly ash, grains, iron, and clinker. However, if the gateway is upgraded to accommodate trade by road, the narrow list of acceptable imports could significantly restrict trade. This is the case because opening the gateway to road transport would, at the infrastructure level, make it a viable alternate for traders currently using the Petrapole–Benapole and Ghojadanga–Bhomra gateways. If the list is not expanded to accommodate commodities currently passing through the alternate gateways, traders will still be unable to pass their non-bulk items through the Gede–Darshana crossing.

As such, it will be important to expand the list of import items to accommodate a wider range of trade through the gateway. Bangladesh can consider gradually expanding this list by initiating discussions with relevant partner government agencies. These agencies will need to approve additional items and provide inputs on the corresponding import control measures necessary to ensure their safe passage and clearance into Bangladesh.

Synergies Among the Three Gateways

As Bangladesh and India continue collaborating to increase bilateral trade, addressing key bottlenecks at the three gateways, as a whole, can reduce the time and costs of trade, and help drive further growth. In addition to recommendations for addressing specific bottlenecks at the three gateways, policymakers and development partners should consider the following challenges and potential solutions to facilitate trade across all three gateways (Table 12).

Table 12: Issues and Proposed Solutions Across the Three Gateways

Key Issues	Proposed Solutions
Multiple rounds of truck weighment are undertaken in both countries during border crossing because weighment data is not shared between parties, leading to higher time and trade cost	Mutually share and accept weighment slips, accompanied by weighment of select import cargoes (subject to risk parameters)
Absence of a regional single window system to enable sharing of data, reduce paperwork, and expedite cargo clearance	Integrate various existing systems (on either side of the border) on a common digital platform along with development of requisite regulatory framework to enable trade, transport, and commercial data to be exchanged electronically among various government agencies and other key stakeholders
Low volume of containerized cargo across all the three gateways results in longer time for customs clearance and congestion at the ports	<p>Initiate discussions to reduce rental charges for containers and trailers, and introduce aggregators to encourage traders to containerize cargoes</p> <p>Equip land ports container handling equipment</p> <p>Explore the feasibility of setting up dry ports in the vicinity of land ports</p> <p>Allow customs clearance of containerized export cargoes from India at factory premises prior to shipment to Bangladesh</p> <p>Conduct entire customs clearances for containerized export cargoes at the inland custom station or dry port in Bangladesh</p> <p>Introduce a uniform approval mechanism for transshipment of goods by road and rail in India</p> <p>Explore deployment of a tracking system to facilitate cargo reconciliation</p> <p>Implement a Motor Vehicles Agreement across Bangladesh, Bhutan, India, and Nepal</p>
Absence of commodities under the lists of permissible imports that would otherwise demand containerization impedes trade through container rakes	Revisit the permissible list of commodities for import through land ports to include commodities which have demand for containerization

Source: ADB. 2020. *SASEC Routes Initiative Study: Kolkata to Dhaka Route Final Report*. Manila.

CONCLUSION: A SYNERGISTIC APPROACH TO TRADE FACILITATION

Barriers to trade facilitation at the gateways are threefold: (i) transport links along the Kolkata–Dhaka route will need to undergo expansion and upgrades to reduce traffic congestion and improve driving conditions; (ii) land ports will require physical upgrades to support efficiency, particularly with respect to parking, and import and export clearance; and (iii) trade facilitation practices will need to be streamlined, including policy interventions (such as expansion of the permissible list of import items) and awareness raising activities.

The three gateways, and associated assets on either side, should be viewed synergistically. Decongesting imports on either side of a gateway will support more efficient export clearance on the other side of the border. Similarly, increasing the efficiency or capacity of a single gateway will produce positive effects on its neighbors to the north or south, and more broadly, on other land, maritime, and airports across both countries.

As such, while this report focuses on the particulars of three land crossings between Bangladesh and India, the implications of improving these gateways can lead to macro-level improvements to trade between the two countries. ADB and SASEC will continue to support individual infrastructure projects to improve trade in both Bangladesh and India. More broadly, ADB and SASEC will support strategic planning and pipelines of investments across the entire subregion, with the goal of promoting more vibrant and inclusive socioeconomic growth.

APPENDIXES

APPENDIX 1

Route Infrastructure Profile: Petrapole–Benapole Gateway

Key road networks utilized for transporting cargo across West Bengal and Bangladesh via Petrapole–Benapole gateway are depicted in Figure A1. For purposes of the assessment, the major national highways connecting north, south, and central Indian states with Petrapole, and Dhaka with Benapole, were considered. Select state and regional highways, as well as zila roads, were also considered to take into account available alternative routes.

**Figure A1: Key Road Routes in West Bengal and Bangladesh
via Benapole–Petrapole Gateway**

Note: The boundaries, colors, denominations, and any other information shown on the map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

Source: ADB.

The assessment of the road network depicted in Figure A1 was undertaken, in terms of (i) name and type of road (national/state/regional highways and zila roads), (ii) route connectivity (start and end points for each road stretch), (iii) length of road, (iv) average carriageway width, (v) ongoing/proposed augmentation projects, and (vi) extent of road congestion experienced presently on the basis of volume–capacity (V/C) ratios.¹ The assessment of the existing road network in West Bengal and Bangladesh (up to Dhaka) indicates three major routes in West Bengal and Bangladesh that connect the Petrapole–Benapole gateway to the hinterland. On the basis of preliminary assessment, the key observations are discussed below.

On the Indian side, export cargo for Bangladesh originating in north, south, and central India are primarily being transported via:

- (i) **North India.** National Highway (NH) 19 (Barakar to Palsit), State Highway (SH) 13 (Palsit to Mogra), Barrackpore Kalyani Expressway (Mogra to Chakdah), and SH 1 (Chakdah to Bongaon);
- (ii) **South India.** NH 16 (Sonakania to Kolkata) while beyond Kolkata there being two route options for reaching Petrapole from Kolkata, i.e., either Option A: NH 112 (Barasat to Petrapole), or Option B: NH 12 (Barasat to Chakdah) and SH 1 (Chakdah to Bongaon); and
- (iii) **Central India.** Two route options connecting central Indian states: Option A: NH 49 and NH 16 (Chichira to Kolkata), and Option B: NH 18 (Detya/Leda to Balarampur), NH 116B (Balarampur to Chandrakona Road), NH 14 (Chandrakona Road to Medinipur), and NH 16 (Medinipur to Kolkata). Route options A and B indicate the two major road routes (i.e., NH 49 and NH 18 entering West Bengal via Chichira and Detya/Leda, respectively). Beyond Kolkata, there are again two route options connecting Petrapole (as detailed above), either NH 112 (Barasat to Petrapole), or a combination of NH 12 (Barasat to Chakdah) and SH 1 (Chakdah to Bongaon).

Out of the abovementioned roads, critical stretches experiencing high congestion include:

- (i) **NH 19 and SH 1.** NH 19 (Barakar to Palsit) is connecting the north Indian states, which is six lanes from Barakar to Panagarh; while SH 1 is connecting Chakdah to Bongaon, which is currently two lanes with most of the cargo traffic using this route. The route also experiences higher congestion on account of the parking lots present along this route where the trucks halt before obtaining passes for entry into Petrapole integrated check post (ICP).
- (ii) **NH 112 connecting Barasat to Petrapole.** Although this is the shortest route connecting Kolkata to Bongaon, it experiences heavy congestion due to the presence of multiple urban agglomerations, like Barasat, Habra, Gaighata, and Bongaon. Movement of nonmotorized / slow-moving vehicles, along

¹ V/C ratios for road in West Bengal and Bangladesh computed on the basis of standards prescribed in: (a) Guidelines for Capacity of Urban Roads in Plain Areas by the Indian Roads Congress (1990); and (b) Geometric Design Standards Manual (Revised) 2005 by the Roads and Highways Division, Ministry of Communications, Government of Bangladesh.

with pedestrian crossings, slows traffic down. Additionally, multiple rail crossings present along the route add to delays (as there are also no rail gates at Barasat, Habra, and Bongaon, etc.).

SH 1 and NH 112 are especially critical as they provide connectivity between Kolkata and Petrapole ICP, and all cargo (exports as well as imports) finally ply on these two stretches.

With respect to last mile connectivity for the ICP at Petrapole, it has been observed that there is no separate road designated for transporting passenger and cargo. In fiscal year 2019, the Petrapole ICP recorded (i) 996,184 incoming passengers and 935,151 outgoing passengers (up to January 2019), and (ii) 113,719 export trucks and 33,712 import trucks (up to February 2019).² There are currently Dhaka–Kolkata and Agartala–Kolkata bus services via Petrapole–Benapole, with the buses plying along the same road used for cargo transport, adding to the congestion.

In Bangladesh, three major routes connecting Benapole to Dhaka were considered. These include:

- (i) Route 1 (~264 kilometers [km]), comprising N706 (Benapole to Jashore), N702 (Jashore to Magura), N7 (Magura to Faridpur), N804 (Faridpur to Bhanga), and N8 (Bhanga to Dhaka);
- (ii) Route 2 (~257 km), comprising N706 (Benapole to Jashore), N702 (Jashore to Magura), N7 (Magura to Daulatdia Ferry Terminal), and N5 (Paturia Ferry Terminal to Dhaka); and
- (iii) Route 3 (~241 km), comprising N706 (Benapole to Jashore), R750 (Jashore to Narail), Z7503 (Narail–Lohagara Road) (Narail to Bhatiapara), N805 (Bhatiapara to Bhanga), and N8 (Bhanga to Dhaka).

As observed above, Routes 1 and 2 follow a common route till Faridpur, and subsequently bifurcate to reach Dhaka via two different routes. While the road stretches included in the first two routes are national highways, Route 3 includes regional and zila roads as well.

Key issues experienced with respect to route infrastructure in Bangladesh include:

- (i) High congestion experienced along the following key stretches:
 - (a) N706 connecting Benapole to Jashore is presently two lanes.
 - (b) N7 connecting Magura to Faridpur/Daulatdia Ferry Terminal is presently two lanes.
 - (c) N8 connecting Bhanga to Dhaka is two lanes. However, this stretch has recently been upgraded to expressway standard.³
 - (d) N5 connecting Paturia Ferry Terminal to Dhaka is presently two lanes.

² As per data provided by ICP, Petrapole.

³ Road Transport and Highway Division, Government of Bangladesh.

- (ii) N706, N8, and N5 are critical, as they provide connectivity between Benapole and Dhaka; and, as a result, all cargo (export as well as import) moving between Petrapole from Dhaka ply on these routes.
- (iii) Condition of the roads (in terms of carriageway width and its type of construction) considered as part of Route 3 is not suitable for plying heavy cargo traffic.
 - (a) The 43-km road from Narail to Jashore (R750) is a two-lane regional highway. The width of the carriageway is 5.5 meters (m), which is inadequate for heavy traffic comprising large cargo vehicles that require a carriageway width of 7.5 m.⁴
 - (b) The access road to Kalna Ferry Crossing (across Madhumati River) has a length of 3 km with a narrow carriageway width of 3.7 m. It is a brick road with bituminous coating. Beyond the river crossing, the section of the route up to Narail comprises single to intermediate lanes with a carriageway width of 5.5 m. Capacity along this stretch is less than 10,000 passenger car units and traffic is mostly local (footnote 4).
 - (c) Z7503 is a zilla road which is in poor condition and incapable of supporting heavy traffic (footnote 4).
- (iv) Absence of bridges at key river crossings results in cargo availing ferry services, increasing travel time and logistics costs.
 - (a) Route 1 requires one ferry crossing across Padma River (approximately 15 km wide at Mawa) via Shimulia–Kathalbari Ferry Terminal.
 - (b) Route 2 requires one ferry crossing across Paturia River via Daulatdia–Paturia Ferry Crossing. The river is approximately 3 km wide at the Paturia ferry crossing; and it takes around 30 minutes to cross the river, including 20 minutes of loading and unloading time (footnote 4).
 - (c) Route 3 requires two ferry crossings across Madhumati River (650-meter wide) via Kalna Ferry Terminal, and Padma River (approximately 15 km wide at Mawa) via Shimulia–Kathalbari Ferry Terminal.

Key observations with respect to constraints faced at the ferry crossings include the following:

- (i) The travel time across Mawa ferry crossing is approximately 2.5 hours, with waiting time for trucks can be as long as 10 hours. Due to river bank erosion, strong water currents, and overloading, the route is not very reliable and is less preferred (footnote 4). The Government of Bangladesh is presently constructing a bridge over the Padma River at the Mawa ferry crossing, which is expected to be completed by 2022.⁵ This bridge will have two levels and accommodate a four-lane highway on the top deck and set of railway tracks on the bottom deck, to facilitate movement of vehicles. Presently, the Daulatdia–Paturia ferry crossing is preferred over the Mawa ferry crossing, as the length of the former is one-fifth of the Mawa ferry crossing, resulting in

⁴ Findings from Southwest Bangladesh Economic Corridor – Comprehensive development Plan, ADB.

⁵ Official end-date as per work plan – <http://www.padmabridge.gov.bd/cstatus.php>.

a shorter travel duration and lower fares. Additionally, there is lower priority accorded for freight traffic at the Mawa ferry crossing, and cargo vehicles tend to queue up to cross over. As a result, 90% of the traffic movement to the eastern side of the Dhaka region uses the Paturia ferry terminal, while the remaining prefers the Mawa route.⁶ However, given the recent developments in terms of upgrading N8 (connecting Bhanga to Dhaka) to expressway standard, as well as the development of upcoming bridge on Padma river, it is expected that the route connecting Benapole to Dhaka (via Jashore, Magura, Faridpur, and Bhanga) would emerge as the preferred trade route.

- (ii) The approach roads to the three ferry terminals are congested, with almost no or limited parking facilities. In addition, a limited number of ferries plying per day leads to slow clearance and further congestion, resulting in an average waiting time of 3–4 hours (footnote 6).

⁶ Findings from Southwest Bangladesh Economic Corridor - Comprehensive development Plan, ADB.

APPENDIX 2

Route Infrastructure Profile: Ghojadanga–Bhomra Gateway

Key road networks utilized for transporting cargo across West Bengal and Bangladesh via Ghojadanga–Bhomra gateway are depicted in following Figure A2. For purposes of the study assessment, the major national highways connecting North, South, and Central Indian states with Ghojadanga, and Dhaka with Bhomra, were considered. Select state and regional highways and zilla roads were considered, to take into account available alternative routes.

An assessment of the above depicted road network was undertaken in terms of (i) name and type of road (national/state/regional highways and zilla roads), (ii) route connectivity (start and end points for each road stretch), (iii) length of road, (iv) average carriageway width, (v) ongoing/proposed augmentation projects, and (vi) extent of road congestion experienced presently on the basis of volume–capacity (V/C) ratios. The assessment of the existing road network in West Bengal and Bangladesh (up to Dhaka) indicates three major routes in West Bengal and Bangladesh, respectively, that connect the Ghojadanga–Bhomra gateway to the hinterland. Based on this preliminary assessment, key observations have emerged:

Figure A2: Key Road Routes in West Bengal and Bangladesh via Ghojadanga–Bhomra Gateway

Note: The boundaries, colors, denominations, and any other information shown on the map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

Source: ADB.

On the Indian side, export cargo for Bangladesh originating in north, south, and central India may be transported primarily via:

- (i) **North India - NH 19 (Barakar to Kolkata).** Beyond Kolkata, there are two route options for reaching Ghojadanga from Kolkata, i.e., Option A: SH 2 (Barasat to Berachampa), Berachampa–Baduria Road (Berachampa to Tentulia), Tentulia–Basirhat Road (Tentulia to Sangrampur), and Old Satkhira Road (Sangrampur to Ghojadanga), or Option B: NH 112 (Kolkata to Gaighata), SH 3 (Gaighata to Maslandapur), Tentulia Road (Maslandapur to Tentulia), Tentulia–Basirhat Road (Tentulia to Sangrampur), and Old Satkhira Road (Sangrampur to Ghojadanga).
- (ii) **South India - NH 16 (Sonakanian to Kolkata).** Beyond Kolkata, there are two route options for reaching Ghojadanga from Kolkata (as detailed above), i.e., Option A: SH 2 (Barasat to Berachampa), Berachampa–Baduria Road (Berachampa to Tentulia), Tentulia–Basirhat Road (Tentulia to Sangrampur), and Old Satkhira Road (Sangrampur to Ghojadanga), or Option B: NH 112 (Kolkata to Gaighata), SH 3 (Gaighata to Maslandapur), Tentulia Road (Maslandapur to Tentulia), Tentulia–Basirhat Road (Tentulia to Sangrampur), and Old Satkhira Road (Sangrampur to Ghojadanga).
- (iii) **Central India.** There are two route options connecting Central Indian states: Option A: NH 49 and NH 16 (Chichra to Kolkata), and Option B: NH 18 (Detya/Leda to Balarampur), NH 116B (Balarampur to Chandrakona Road), NH 14 (Chandrakona Road to Medinipur), and NH 16 (Medinipur to Kolkata). Route options A and B indicate the two major road routes (i.e., NH 49 and NH 18 entering West Bengal via Chichra and Detya/Leda, respectively). Beyond Kolkata, there are two route options for reaching Ghojadanga from Kolkata (as detailed above), i.e., Option C: SH 2 (Barasat to Berachampa), Berachampa–Baduria Road (Berachampa to Tentulia), Tentulia–Basirhat Road (Tentulia to Sangrampur), and Old Satkhira Road (Sangrampur to Ghojadanga), or Option D: NH 112 (Kolkata to Gaighata), SH 3 (Gaighata to Maslandapur), Tentulia Road (Maslandapur to Tentulia), Tentulia–Basirhat Road (Tentulia to Sangrampur), and Old Satkhira Road (Sangrampur to Ghojadanga).

Out of the abovementioned roads, critical stretches experiencing high congestion include:

- (i) NH 19 (Barakar to Kolkata), connecting the north Indian states, even though it has 6 lanes from Barakar to Panagarh; and
- (ii) NH 112 connecting Barasat to Gaighata.

With respect to last mile connectivity for the land customs station (LCS) at Ghojadanga, it is observed the following:

- (i) Roads leading up to zero point at Ghojadanga–Bhomra gateway are congested. As there are no parking facilities available within the Ghojadanga LCS due to space constraint, many trucks are parked on the road.

- (ii) There is no separate road designated for plying passenger and cargo traffic. Around 1,400 passengers cross over daily through the Ghojadanga–Bhomra gateway along with 400–450 trucks. As there is only one road for plying passengers and cargo traffic, it results in congestion.
- (iii) There are no halting/maintenance–repair facilities available along the routes for transporters.

In Bangladesh, two major routes connecting Bhomra to Dhaka were considered, as follows:

- (i) **Route 1 (~307/313 kilometers [km] for the alternate routes).** There are two alternate routes connecting Bhomra with Jashore: Option A comprising Satkhira–Bhomra Highway and Z7602 (Bhomra to Satkhira), R760 (Satkhira to Chuknagar), R755 (Chuknagar to Rajarhat Bazar), and N7 (Rajarhat Bazar to Jashore), and Option B: Satkhira Bhomra Highway and Z7602 (Bhomra to Satkhira), R780 (Satkhira to Navaron), and N706 (Navaron to Jashore). Beyond Jashore, the route consists of a common stretch, including N702 Jashore to Magura, N7 Magura to Daulatdia Ferry Terminal, and N5 Paturia Ferry Terminal to Dhaka.
- (ii) **Route 2 (~295 km).** It comprises Satkhira–Bhomra Highway and Z7602 (Bhomra to Satkhira), R760 (Satkhira to Khulna), N709, N7 and N805 (Khulna to Gopalganj), N805 (Gopalganj to Mawa), and N8 (Mawa to Dhaka).

Critical issues experienced with respect to route infrastructure in Bangladesh include the following:

- (i) High congestion experienced along the following key stretches:
 - (a) N706 connecting Navaron to Jashore is presently two lanes.
 - (b) N7 connecting Magura to Faridpur/Daulatdia Ferry Terminal is presently two lanes.
 - (c) N8 connecting Bhanga to Dhaka is two lanes. However, this stretch has recently been upgraded to expressway standard.¹
 - (d) N5 connecting Paturia Ferry Terminal to Dhaka is presently two lanes.
- (ii) N706, N8, and N5 are critical, as they provide connectivity between Ghojadanga and Dhaka, and as a result, all cargo (export as well as import) traffic moving between Ghojadanga and Dhaka ply on these routes.
- (iii) Absence of bridges at key river crossings result in cargo availing ferry services, which increases travel time and logistics costs (as mentioned earlier).
 - (a) Route 1 requires one ferry crossing across Paturia River via Daulatdia–Paturia Ferry Crossing: The river is approximately 3 km wide at the Paturia ferry crossing; and it takes around 30 minutes to cross the river, including 20 minutes of loading and unloading time.²
 - (b) Route 2 requires one ferry crossing across Padma River (approximately 15 km wide at Mawa) via Shimulia–Kathalbari Ferry Terminal.

¹ Road Transport and Highway Division, Government of Bangladesh

² Findings from Southwest Bangladesh Economic Corridor - Comprehensive Development Plan, ADB.

As was the case for Benapole to Dhaka route, key observations with respect to constraints faced at the ferry crossings include the following:

- (i) The travel time across Mawa ferry crossing is approximately 2.5 hours, with waiting time for trucks for as long as 10 hours. Due to river bank erosion, strong water currents, and overloading, the route is not very reliable and is less preferred.³ The Government of Bangladesh is presently constructing a bridge over the Padma River at the Mawa ferry crossing, which is expected to be completed by 2022. This bridge will have two levels and accommodate a four-lane highway on the top deck and set of railway tracks on the bottom deck, to facilitate movement of vehicles. Presently, the Daulatdia–Paturia ferry crossing is preferred over the Mawa ferry crossing, as the length of the former is one-fifth of the Mawa ferry crossing, resulting in a shorter travel duration and lower fares. Additionally, there is lower priority accorded for freight traffic at the Mawa ferry crossing, and cargo vehicles tend to queue up to cross over. As a result, 90% of the traffic movement to the eastern side of the Dhaka region uses the Paturia ferry terminal, while the remaining prefers the Mawa route (footnote 3). All perishable cargo headed for Bhomra use the Paturia ferry terminal. However, given the recent developments in terms of upgrading N8 (connecting Bhanga to Dhaka) to expressway standard, as well as the development of upcoming bridge on Padma river, it is expected that the route connecting Benapole to Dhaka (via Jashore, Magura, Faridpur and Bhanga) would emerge as the preferred trade route.
- (ii) The approach roads to the three ferry terminals are congested, with almost no or limited parking facilities. In addition, a limited number of ferries plying per day leads to slow clearance and further congestion, resulting in an average waiting time of 3–4 hours (footnote 3).

With respect to last mile connectivity for the land port at Bhomra, the observations indicate the following:

- (i) Roads providing last mile connectivity to Bhomra do not have adequate width and/or thickness, and can only accommodate 4-/6-wheeled trucks.
- (ii) There is no separate road designated for plying passenger and cargo traffic. Around 1,400 passengers cross over daily via the Ghojadanga–Bhomra gateway along with 400–450 trucks. As there is only one road for transporting passengers and cargo, it results in congestion.
- (iii) There are no halting/maintenance-repair facilities available along the routes for the transporters.

³ Findings from Southwest Bangladesh Economic Corridor – Comprehensive Development Plan, ADB.

Strengthening Trade along the Dhaka–Kolkata Route

For a Prosperous and Integrated South Asia

The economies of Bangladesh and India are driven by fast-growing bilateral trade. The efficient movement of goods between the two countries is essential to their economic growth. However, inefficient procedures at land crossings, paired with infrastructure constraints on both sides of the border, inflate the time and costs of conducting trade. This study examines some of the key bottlenecks to trade on land between Dhaka and Kolkata, and provides recommendations on how to address them. Reducing traffic congestion along the major routes, and improving facilities and clearance procedures at the border crossings can significantly improve trade between Bangladesh and India, and contribute to more robust economic growth across the South Asia Subregional Economic Cooperation zone as a whole.

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The South Asia Subregional Economic Cooperation (SASEC) program brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka in a project-based partnership that aims to promote regional prosperity, improve economic opportunities, and build a better quality of life for the people of the subregion. SASEC countries share a common vision of boosting intraregional trade and cooperation in South Asia, while also developing connectivity and trade with Southeast Asia.

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6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
www.adb.org