

# **BIMSTEC – Japan Cooperation in Transport Bangladesh Perspective**

M. Rahmatullah



**Centre for Studies in International Relations  
and Development (CSIRD)  
Kolkata**



# **BIMSTEC – Japan Cooperation in Transport: Bangladesh Perspective**

**M. Rahmatullah**

**CSIRD Discussion Paper #31**

July 2007



**Centre for Studies in International  
Relations and Development**

P 534 Raja Basanta Roy Road, Kolkata 700029, India

Phone: +91-33-2463 7322

Fax: + 91-33-2463 7322

Email: [membersecretary@csird.org.in](mailto:membersecretary@csird.org.in);

[csirdindia@yahoo.co.in](mailto:csirdindia@yahoo.co.in)

Websites: <http://www.csird.org.in>; <http://www.bntt.org>

CSIRD Discussion Papers are published to disseminate research findings and to attract comments. The feedback and comments may be directed to the author(s) directly. Views expressed by the author(s) are his / her personal, and in no way reflect the views of CSIRD. CSIRD Discussion Papers are available at [www.csird.org.in](http://www.csird.org.in)



# Contents

---

<b>1.0 Introduction .....</b>	<b>2</b>
<b>2. Current State of Transport Connectivity and.....</b>	<b>5</b>
<b>Cross-border Facilitation Measures in BIMSTEC</b>	
2.1. Transport Connectivity .....	5
2.1.1 Road Transport Links .....	5
2.1.2 Rail Transport Links .....	13
2.1.3 Inland Water Transport Links .....	21
2.1.4 Maritime Transport .....	21
2A.5 Air Transport .....	23
2.2 Facilitation Measures and Improvements Needed .....	23
2.2.1 Problems related to Facilitation .....	23
2.2.2 Possible Approach to Improved Facilitation .....	25
2.3.3 Improved Facilitation: International Conventions..	27
2.2.4 Improved Facilitation: Sub-regional Agreement .....	29
<b>3.0 Bangladesh Transport System in BIMSTEC .....</b>	<b>30</b>
3.1 Major Problems .....	30
3.1.1 General Problems .....	30
3.1.2 Road Transport related Problems .....	31
3.1.3 Rail Transport related Problems .....	32
3.1.4. Inland Water Transport related Problems .....	34
3.1.5 Sea Port related Problems .....	35
3.1.6. Air Transport related Problems .....	36
3.1.7. Direct Connectivity between Bangladesh .....	36
and Myanmar	

3.2.	Measures Needed to Address Various Other Problems	36
3.2.1	<i>Change in Political Mindset, Adoption of Agreements and Enforcement of Regulations in respect of Road Transport</i>	37
3.2.2.	<i>Measures needed in respect of Rail Transport</i>	38
3.2.3.	<i>Measures needed to address IWT and Port related Problems</i>	39
3.2.4	<i>Measures needed to address Air Transport related Problems</i>	39
<b>4.0</b>	<b>Potentials and Efforts underway to Strengthen Regional Cooperation</b>	<b>40</b>
4.1	Prospects of Bangladesh becoming a Transport-hub	40
4.2	Signing of the Asian Highway (AH) Agreement	43
4.3	Signing of the Trans Asian Railway (TAR) Agreement	44
<b>5.0</b>	<b>Opportunities for Japanese Cooperation</b>	<b>45</b>
5.1	Japanese Cooperation to Bangladesh in Recent Years	46
5.2	Areas for Future Japanese Cooperation in Bangladesh	47
<b>6.0</b>	<b>Conclusions</b>	<b>48</b>
	References	50

# **BIMSTEC – Japan Cooperation in Transport: Bangladesh Perspective**

---

**M. Rahmatullah\***

## **Executive Summary**

Surface transport system between the BIMSTEC countries still continues to remain fragmented for various historical, political and economic reasons. As a result, their potential, as engines of economic growth at the regional/subregional level, remains largely unrealized. This is despite the fact that basic infrastructure facilities already exist in many countries to establish mutually beneficial intra- and inter-regional transport linkages.

An important aspect of the ongoing globalization process has been the increasing integration of the economies across the border. An increasingly integrated transport system at the regional/sub regional level is, thus, essential to facilitate and sustain the economic integration process in today's interdependent world economy. Being geographically contiguous, it is much easier to strengthen the surface transport connectivity in BIMSTEC, provided the concept enjoys political support and commitment.

In today's highly competitive world economy, transport cost is a significant determinant of country's competitiveness, which makes an integrated and efficient surface transport network an essential element for enabling economic integration at any level. This paper, therefore, reviews the current state of transport connectivity and

---

\* Programme Director, Centre for Policy Dialogue (CPD), Dhaka. Dr Rahmatullah was earlier Director, Transport Division, UNESCAP, Bangkok. An earlier version of the study was presented at the 2<sup>nd</sup> International Conference on 'Towards BIMSTEC-Japan Comprehensive Economic Cooperation: Vision of a New BIMSTEC', organised by CSIRD, Kolkata, in collaboration with TDRI, Bangkok, with support of Sasakawa Peace Foundation (SPF), Tokyo, held at Bangkok, Thailand during 7-8 December 2006.

facilitation measures available, and specifically highlights the consequences of non-cooperation among some of the BIMSTEC countries, and indicates how they all can mutually benefit from closer cooperation. The paper also mentions about some of the initiatives, which are underway to strengthen regional cooperation. It was also highlighted that an integrated transport system is necessary, but not a sufficient condition for efficient international movement. The paper, therefore, brings out clearly the importance of adequate facilitation measures to ensure smooth movement of goods and vehicles across international borders.

Keeping in view the present unsatisfactory state of transport integration and cooperation among the countries in BIMSTEC, perhaps partly due to lack of strong political commitments by certain member countries, the paper specifically reviews the state of Bangladesh transport system in context of BIMSTEC. It highlights the major problems, which are being faced in integrating the Bangladesh transport system with the neighbouring countries, and suggest some of the measures to strengthen the BIMSTEC integration progress.

The paper also specifically looks into the potential benefit of Japan's inclusion into BIMSTEC together with a review of the current status of Japanese assistance to Bangladesh and identified some of the major projects where Japanese assistance could be sought. Finally, the paper concludes by saying that it is time now for concerted efforts to be made by all stakeholders, the governments, the private sector, the business community and the civil society at large, to bring about a change in the political mind sets of the leaders of certain member countries who are slowing down the process of regional integration in transport system among BIMSTEC countries.

## **1. INTRODUCTION**

BIMSTEC, the Bay of Bengal Initiative for Multi-sect oral Technical Cooperation, is a sub-regional grouping combining some geographically contiguous SAARC and ASEAN countries around the Bay of Bengal. BIMSTEC is a US\$ 750 billion economy and contains about 1.32 billion people. The first BIMSTEC Summit held in Bangkok



in July 2004 gave the much needed political commitment to take the concept of this sub-regional grouping to the world of realities.

An important aspect of the ongoing globalization process has been the increasing integration of national economies, particularly in the economically more dynamic regions/ subregions of the world. An increasingly integrated transport system at the regional/subregional levels is, accordingly, essential to facilitate and sustain the economic integration process in today's interdependent world economy. Being geographically contiguous, it is much easier for BIMSTEC countries to strengthen their surface transport connectivity, provided the concept enjoys political support from its member countries. The UNESCAP member countries have already taken some pioneering steps in promoting the Asian Highway (AH) and the Trans-Asian Railway (TAR) routes together with emphasis on facilitation measures for international movement across national borders, further initiative to strengthen transport connectivity among BIMSTEC countries, could be based on this already identified basic network.

Although the intra-BIMSTEC trade is relatively small, it is increasing faster than the overall trade of the member countries. Full potential of intra-regional trade, however, remains untapped because of high tariff and non-tariff barriers as well as poor communication and transport links, among other barriers( De and Horachaikul, 2005).

In today's highly competitive world economy, transport cost is a significant determinant of a country's competitiveness. An integrated and efficient surface transport network an essential element for enabling economic integration at any level. The provision of an integrated network is, however, a necessary, but not a sufficient condition for efficient international movement goods and services (Rahmatullah, 2004). It would be essential to have adequate facilitation measures to ensure that goods and vehicles can move freely across international borders and transit through other countries. An integrated transport system can also unleash the potentials of land-locked countries and areas, bring less developed areas into the mainstream of economic development, provide more efficient transport linkages between certain

pairs of origins and destinations; and introduce cost effective logistic chains between production, distribution and consumption centres.

The European Union (EU) and, to a lesser degree, ASEAN were both successful in moving their own respective regional cooperation processes forward essentially because the people of those countries were convinced that such cooperation was in their larger interest, and this was translated to the leadership level through the domestic and regional political dynamics that gradually strengthened a sense of regional identity. But this type of process has not yet taken place in the BIMSTEC subregion.

For various historical, political and economic reasons, surface transport networks in several parts of Asia, including BIMSTEC countries still continue to remain fragmented. As a result, their potential as engines of economic growth at the regional/subregional level remains largely unrealized. This is happening despite the fact that the basic infrastructure facilities to establish mutually beneficial intra- and inter-regional transport linkages already exist in many countries. It is, therefore, necessary to strengthen the transport linkages and facilitation measures for smooth movement of goods and services across BIMSTEC countries. A change of mindset of governments and political leaders is required to achieve cooperation in the transport sector.

The economic development of some of the member countries of BIMSTEC, namely Bhutan, Nepal and North East (NE) India could be transformed by ending their landlocked status through cooperation in transport connectivity. For example, NE India shares 98 percent of her border with the neighbouring countries and only 2 percent of its border is with the mainland India. So, the cross border exchange forms an important parameter in the development strategy of NE India (Das, 2001).

Following the partition of Indian sub-continent, the transport system of most of the BIMSTEC countries was developed only in a national context. As a result, there has been little consideration given

to cross-border issues of compatibility, uniformity of standards in infrastructure and equipment design. Transport infrastructure and capacity, therefore, shall have to be upgraded and expanded to sustain a heavier traffic load, which is expected from rising intra-regional movements of goods and services in BIMSTEC.

## **2. CURRENT STATE OF TRANSPORT CONNECTIVITY AND CROSS-BORDER FACILITATION MEASURES IN BIMSTEC**

An in-depth analysis of the current situation of transport connectivity among BIMSTEC countries revealed that surface transport (road, rail and IWT) links including maritime link with Sri Lanka are more or less in place, but very little cross border movements are taking place between some of the land main countries. No inter-country train or trucks are allowed except between India-Nepal and India-Bhutan and partly between Thailand and Myanmar. Although basic infrastructure to provide connectivity between BIMSTEC countries is available but wide differences exist in their geometric designs, dimensions and standards. There are gauge differences in railway and lack of compatibility in several other technical components. Border crossings are cumbersome and there are lack of adequate facilitation measures, including efficient customs operations, transparency of inspection procedure and adequate preparation of customs documentation. The details of transport connectivity and facilitation measures are indicated below.

### **2.1. Transport Connectivity**

Apart from maritime transport, which currently provides the connectivity between most of the BIMSTEC countries, there are four other modes of transport, which have the potential to provide direct linkages. The current state of these modes of transport is indicated below:

#### **2.1.1 Road Transport Links**

In BIMSTEC, road transport is the dominant mode and its importance is growing. Most of the merchandise trade between India and its neighbours, namely, Bangladesh, Bhutan and Nepal takes place along the land routes, and so is the case between Thailand and

Myanmar. As indicated earlier, the Asian Highway network provides the basic road connectivity among BIMSTEC countries. Although in terms of road network coverage, people of BIMSTEC are well served, there are wide differences in terms of road standards and quality of road transportation in BIMSTEC. The current state of road transport connectivity among BIMSTEC countries are indicated below.

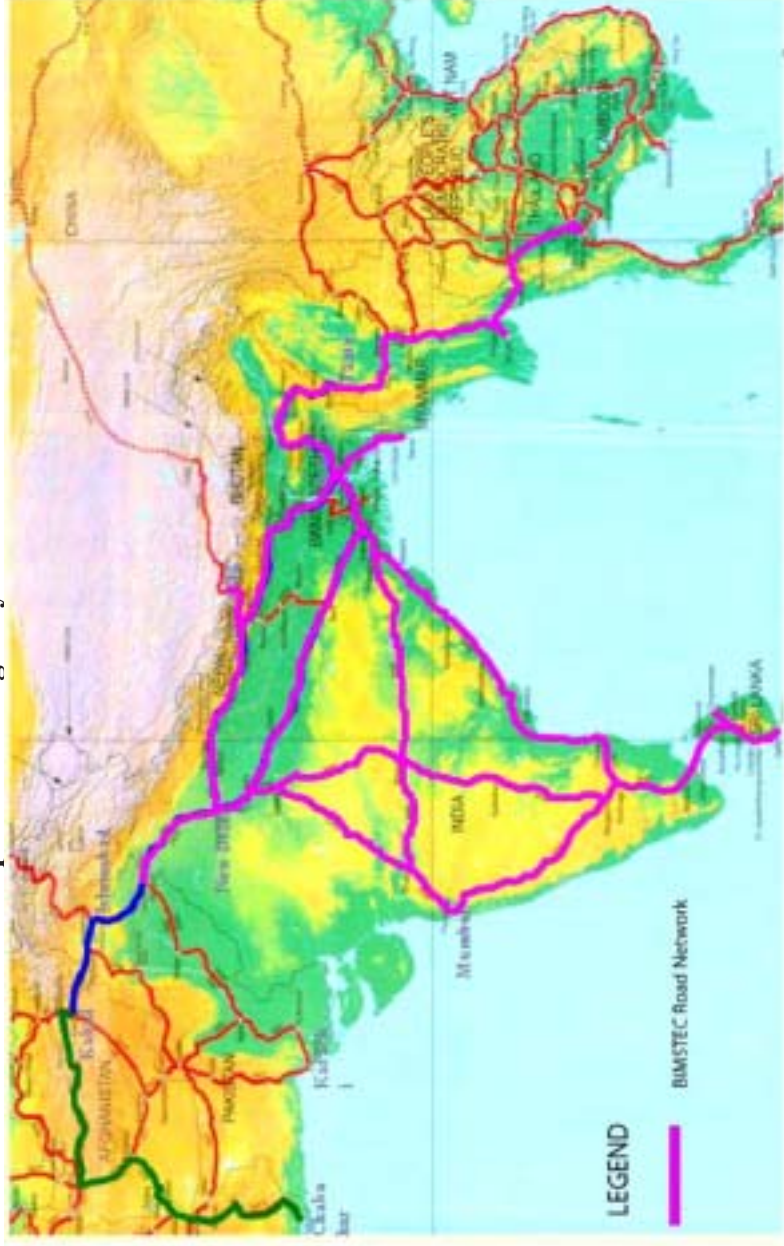
- *India- Bangladesh*

The BIMSTEC road network in NE-India, which follows the Asian Highway route from Imphal to Dawki/ Tamabil (border point with Bangladesh) passing through Dimapur – Nowgong – Guwahati and Shillong in Meghalaya has been upgraded to 2 lane paved road (see, Map1). The road passes through hilly terrain, and, therefore, there could be difficulties for movement of heavy trucks with container loads. While the Tamabil - Dawki border station is open for all traffic, it is mainly used for coal transportation. Dawki is the oldest and largest land custom station in the entire northeastern region of India (Inoue,2004).

The NE-India obtains its major access to Bangladesh through Dawki (India)/Tamabil (Bangladesh) route. The Asian Highway route within Bangladesh from Tamabil to Sylhet and onwards is well developed with 2 lane-paved roads of AH standard III. Earlier a shorter route from Imphal to Sylhet (Bangladesh) passing through Karimgonj (India) and Austragram (Bangladesh) was identified both by India and UNESCAP. This route could have provided about 400 km shorter links between Tamu in Myanmar to Sylhet in Bangladesh. BIMSTEC countries may like to emphasise with India to consider this alternative, which passes through relatively less terrain and provides a short-cut connection.

The AH route, after crossing the Jamuna river over the *Bangabandhu Bridge*, bifurcates into AH routes A1 and A2. A1 goes through Benapole to Calcutta in a South-West direction and A2 goes through Banglabandh to Nepal in a North-West direction. The only problem is the axle load limit. Most of the major roads in Bangladesh are designed for axle load limit of 8.2 tons per axle, as compared to

Map 1 : Asian Highway/BIMSTEC Road Network



Source: UNESCAP.

10.2 tons axle-load limit in India. As a result some weight restrictions shall have to be imposed in Bangladesh when international movement starts along the Asian Highway. Bangladesh has, however, recently upgraded its axle load limit to 10 tons. But, it will take quite sometime to upgrade all roads to the new axle-load limit.

All freight traffic by road to and from Bangladesh needs transshipment at the border. Trucks from other neighbouring countries are not allowed to travel on the road networks of Bangladesh due to differences in the axle load limit (Subramanin, 2001). India also does not allow Bangladeshi trucks to travel to India. The Benapole (Bangladesh) - Petrapole (India) route carries the heaviest traffic, accounting for about 80 percent (in terms of value) of India's export to Bangladesh. Currently, around 300 trucks are moving daily via Benapole – Petrapole border point.

The communication between Calcutta and the NE Indian states of Assam, Meghalaya, and Arunachal Pradesh could be significantly facilitated if the road and rail connections through Bangladesh could be opened up. It is also of interest to India to have access to Chittagong port for export/import of goods from/to Northeast India and Agartala both by road and rail. The transit issue has not received the necessary political support in Bangladesh as yet, although experts and members of the civil society have recognized the economic advantages. But, situation may change quickly if the Islamabad declaration, adopted by the SAARC Summit in January 2004 is implemented with regard to opening up the transit routes within the region to facilitate trade. The urgency of opening up transit routes within the SAARC has also been strongly recommended the recently completed SAARC Regional Multi-modal Transport Study (SRMTS, 2006).

On the western side of Bangladesh, the road from Petrapole to Calcutta still continues to be a 5.5 metre wide paved road, which is now under up-gradation. In India, there is a plan to upgrade 13250 km of major highways, as part of "Golden Quadrilateral", "North-South" and "East-West corridors". These are expected to be 4-6 lanes divided highways to be completed by 2008.

- *India- Myanmar*

The condition of the road network in Myanmar is not as good as in India or Thailand. The road from Mandalay to Tamu, on the western border of Myanmar with India is about 604 km long (see, Map2). The section Mandalay- Monywa (80 km) is a two-lane bitumen road, whereas the section Monywa-Pale-Gangaw (200 km) is a single lane bitumen road, which is still to be widened to 2 lanes. Out of the remaining 324 km, the section between Gangaw and Kalemyo (180 km) is partly gravel, but the other section from Kalemyo to Tamu (144 km) is a 2 lane asphalt concrete road, built by the Government of

**Map 2: BIMSTEC Road Network in Myanmar and Partly in Thailand**



India as a gift to Myanmar, and opened to traffic in February, 2001. On the other side of Tamu is the Indian border town of Moreh, connected by a bailey bridge over Mahuya creek. Under a tripartite agreement signed in April 2002, between the Foreign Ministers of India, Myanmar and Thailand both India and Thailand have committed to assist in completing around 400 km of roads, mostly in Myanmar, to AH standards. The work has already started in several sections on this route.

- *Bangladesh - Myanmar*

Bangladesh has always been interested to have a direct road link from Dhaka to Yangon through Gundum in Chittagong Hill Tracts, across the Naaf River and through Rakhine state. Myanmar has been building a road between Yangon and Sittwe, the capital of Rakhine state, through Kyauktaw and Buthidaung, which have difficult terrains. Certain parts of the route, in fact used the old military road of the Second World War. Bangladesh has already decided that linkage would be established through Ramu and Ukhia in the Chittagong Hill Tracts (see Map -3). The border point would be Gundum opposite Taungbro in Myanmar. The entire alignment for about 80 km link road between Taungbro and Buthidaung in Myanmar is still to be finalized by two sides (Bangladesh and Myanmar). Meanwhile, both the governments have agreed to establish a 43 km road link from Gundum along the above alignment. This southern route when completed should be very useful in promoting further trade between Bangladesh and Myanmar.

- *Bangladesh – Nepal*

The present road connection to Nepal from Bangladesh is through Kakorvitta (Nepal), Phulbari (India) and Banglabandh in Panchagarh district of Bangladesh. There is a narrow strip of Indian territory in that area which separates Bangladesh and Nepal. The East-West Highway in Nepal and the connection via Phulbari and Banglabandh to Dhaka is part of the Asian Highway No. 2. In 1997, India allowed a direct route for trade and transit between Nepal and Bangladesh via Kakorvitta, Phulbari and Banglabandh. This route could provide Nepal an easier access to Chittagong and Mongla ports in Bangladesh as an alternative to Kolkata port, which is already congested. However, at



Map 3 : Bangladesh-Myanmar Road Link through Chittagong



this point, India allows this route to be used for bilateral traffic only. India's transit agreement would be needed for Nepal to use this corridor for third country trade. This route, however, was not found to be very attractive to the traders and transporters both in Nepal and Bangladesh because it is too long and there is transshipment involved at the border. A direct broad gauge rail route from Rauxal (border point between India and Nepal) to Rohanpur (Bangladesh) and Khulna or to Chittagong would be much more attractive, if India agrees to this rail route.

- *Bangladesh - Bhutan*

Under an agreement with India, Bhutan was permitted to use the Phuntsholing (Bhutan)-Changrabandha (India) – Burimari (Bangladesh) route for her trade with Bangladesh in January 1998. Since then, Bhutan has been using this particular route for its trade with Bangladesh through Indian territory. Bhutan, however, cannot use this corridor for its third country trade through Bangladesh ports, although its international trade faces frequent congestion at Kolkata port.

- *India - Nepal and India - Bhutan*

Under the trade agreement between India and Nepal, six border crossing points, namely, Dhangadhi, Nepalganj, Bhairahawa, Birganj, Biratnagar and Kakarvitta are consistently being used for international trade. Among these border posts, Birgunj, Bhairahawa, and Biratnagar represent between themselves about 80-85 percent of the total international traffic of Nepal. India allows trucks from Nepal and Bhutan to operate on designated transit routes within India. Indian trucks are allowed anywhere into Nepal but are given a limit of 72 hours to return to India. Nepalese truck needs permits for every trip to India with a validity of three months. Bhutanese buses are, however, allowed up to certain towns in West Bengal and Assam.

- *Thailand – Myanmar*

The road link between Thailand and Myanmar actually follows the Asian Highway route A1 from Bangkok to Yangon and Mandalay, which passes through Tak in Thailand. The AH routes in Thailand are

highly developed and the entire network is paved and is of 2 to 4 and 6 lanes divided highways. But the Asian Highway route A1 in Myanmar has not been fully developed as yet. The portion between Yangon and Mandalay of AH route A1 is a paved 2 to 4 lanes road. But the remaining portion of the AH route A1 between Thailand- Myanmar border and Myanmar- India border has 2 or less lanes, mostly paved but certain sections are still sub-standard roads. Under the tripartite agreement between India, Myanmar and Thailand, signed in 2002, sufficient funds have been committed both by India and Thailand to improve these weaker sections on which work is already on going.

### **2.1.2 Rail Transport Links**

The railway network in BIMSTEC sub-region is one of the largest railway systems in the world. It has an extensive network spread over 75,465 km, of which 70 percent is broad gauge. Before 1947, railways have historically played an important integrating role in the social and economic development, particularly in the South Asian member countries of BIMSTEC. At present, approximately 30 percent of freight and 20 percent of passenger traffic are carried by railway in BIMSTEC countries. Generally speaking, the railway system in BIMSTEC countries, except in India, is running at a loss primarily due to cross subsidization, high non-performing assets and public sector ownership for which they are required to carry out certain public sector obligations that are never profitable. The losses incurred on passenger services are cross-subsidized by profit earned through freight services as also earnings from higher classes of passenger travel (De and Horachaikul, 2005).

As the lead country for BIMSTEC cooperation in the Transport and Communication sector, India organized the first Expert Group Meeting in New Delhi on 23-24 April 2001, where the entire gamut of subjects such as transport and cross-border facilitation, multi-modal transport and logistics, infrastructure development, aviation, maritime transport, including shipping, inland water transport and ports, human resource development, communication linkages and networking were discussed. Subsequently actions were initiated on a number of recommendations. In this context, one of the major activities

undertaken was the organization of a Meeting of the Chief Executives of Railways of BIMSTEC countries, hosted by Indian Railway in close cooperation with the Asian Institute of Transport Development (AITD), New Delhi in 2004.

Among the mainland countries of South Asia, Bhutan and Nepal have no rail network. Bangladesh, India, Myanmar, Sri Lanka and Thailand have extensive rail networks within their respective countries. But, there is still no rail connectivity among some of the major BIMSTEC countries, which are geographically contiguous, namely, India, Myanmar and Thailand. The current state of rail connectivity between BIMSTEC countries are indicated below:

- *India - Bangladesh*

The Trans Asian Railway (TAR) is in fact providing the main rail connectivity between BIMSTEC countries. Before partition of India in 1947, the major intra sub-continental movements of goods and services used to be carried out mainly by railway. Although these physical links are still there, very little cross border movement by rail is taking place today, say between India and Bangladesh.

Between India and Bangladesh (see, Map 4), the broad gauge Trans Asian Railway (TAR) connection is through Gede (India)-Darsana (Bangladesh), and the other meter gauge connection is through Mahishasan (India) – Shahbazpur (Bangladesh), which used to provide the main rail connection between NE India and Bangladesh. But this route has not been in use in recent years. On the western side, Indian rail wagons are pulled by Bangladeshi locomotives from the border stations, Darsana and Rohanpur, only over short distance inside Bangladesh, where transshipment takes place to barges or trucks. Present rating (43.7 KN per meter) of the Jamuna Bridge does not allow Indian fully loaded broad gauge train to pass through, although a dual gauge railway network exists up to Joydebpur near Dhaka (Rahmatullah, 2006). With the extension of dual gauge rail link upto Dhaka by 2007, the possibilities of fully loaded ISO- containers on broad gauge flat cars and passenger trains movement from any point in India up to Dhaka will open up.

Map 4: Trans-Asian Railway/BIMSTEC Rail Network



Bangladesh Railway (BR) wagons do not cross the Indian border because these cannot be connected to Indian rolling stock without reducing the efficiency of the trains. India and Bangladesh wagons have different coupling and breaking systems. It is also to be noted that the Indian Railway (IR) is gradually converting its entire network into broad gauge. Conversion is currently on-going in NE India from Mahishasan onwards, while BR has no plan as yet to convert its metre gauge section between Dhaka – Akhaura – Shabazpur into a dual gauge. This lack of coordination between gauge conversion in IR and dualisation in BR is also killing the prospect of uninterrupted inter-country movement in the future (Rahmatullah, 2006).

- *Bangladesh – Nepal*

Currently, there is no agreement between Nepal, India and Bangladesh to allow Nepalese third country trade (both export and import) to go through Bangladesh seaport using the BR and IR systems. But excellent facilities do exist for this purpose. Nepalese traffic from Rauxal (Nepal-India border point) could come to Khulna (for Mongla port) using BG line through Kathihar-Singhabad and Rohanpur without any transshipment, instead of Kolkata, which is often congested (see Map 4). Some preliminary discussions are underway to extend the dualization of the track up to Chittagong in the near future. At that time, Bangladesh Railway would be able to handle Nepalese traffic from Rauxal through Chittagong Port without any transshipment. But for this to happen, Chittagong port shall have to enhance its capacity and further improve its management

- *India – Myanmar – Thailand*

Railway is the right mode for transporting containers, passengers and goods over long distances. But the inadequacy of the facilitation measures at the border crossing and the lack of connectivity among the railway systems need to be addressed to ensure smooth movement of both passenger and freight traffic. Direct movement by railway from Kolkata to Bangkok is not possible now because of major missing links of 315 km. between India and Myanmar (see Map 5), and another 263 km. along Three Pagoda Pass or at least 150 km, between Myanmar and Thailand, if the link is established through Tavoy (see Map 6).



Map 6: Missing Rail Links Between Thailand and Myanmar





Out of 180 km, missing link in India from Jiribam to Tamu, 98 km, broad gauge line from Jiribam to Tapul/Imphal is already under construction, leaving only 82 km. to be built in the near future. It is further understood that RITES, a major rail specialized consulting firm of India has already undertaken a feasibility study to complete 135 km. missing link between Kalay and Tamu in Myanmar.

In addition, there is a problem of gauge difference. While Sri Lankan railway is entirely broad gauge, Indian railway is largely broad gauge with a small portion of metre gauge. Bangladesh has both metre and broad gauge. The rest of the railways in Myanmar and Thailand are all metre gauges. These gauge differences will need establishment of container/goods transshipment facilities between the two gauges at convenient locations. The railways in India, Bangladesh, Sri Lanka and Thailand are well developed, while the Myanmar railway is still way behind BIMSTEC average.

- *India - Nepal*

There is a well-established rail link between India and Nepal through Birgunj, where a rail based ICD was established in July 2004. India now allows both the third country and bilateral trade between India and Nepal to move by rail. As a result, container traffic through Birgunj ICD is increasing fast. At present, there is no capacity constraint in the railway, although Kolkata port remains congested most of the time.

- *Bangladesh - Bhutan*

In January 1984, a Memorandum of Understanding (MOU) was signed between Bangladesh and India, which provided for transit facilities through India on Gitaldha/Mongalhat rail route as the entry/exit points of Bangladesh-Bhutan trade. A similar agreement between India and Bhutan designated the above points for Bhutan's trade with third countries.

- *Sri Lanka – India*

The most efficient transport link between Sri Lanka and India is through maritime and air transport. But in the past, there used to be a

rail ferry link between these two countries. The link was between Colombo in Sri Lanka and Chennai in India through a 35 km. long ferry service between Talaimannar in Sri Lanka and Rameshwaram in India, which remained suspended since 1984 (see, Map 7). Once the present political unrest gets resolved, the above mentioned ferry link could be resumed.

**Map 7: BIMSTEC Rail Link between Sri Lanka and India**



### ***2.1.3 Inland Water Transport Links***

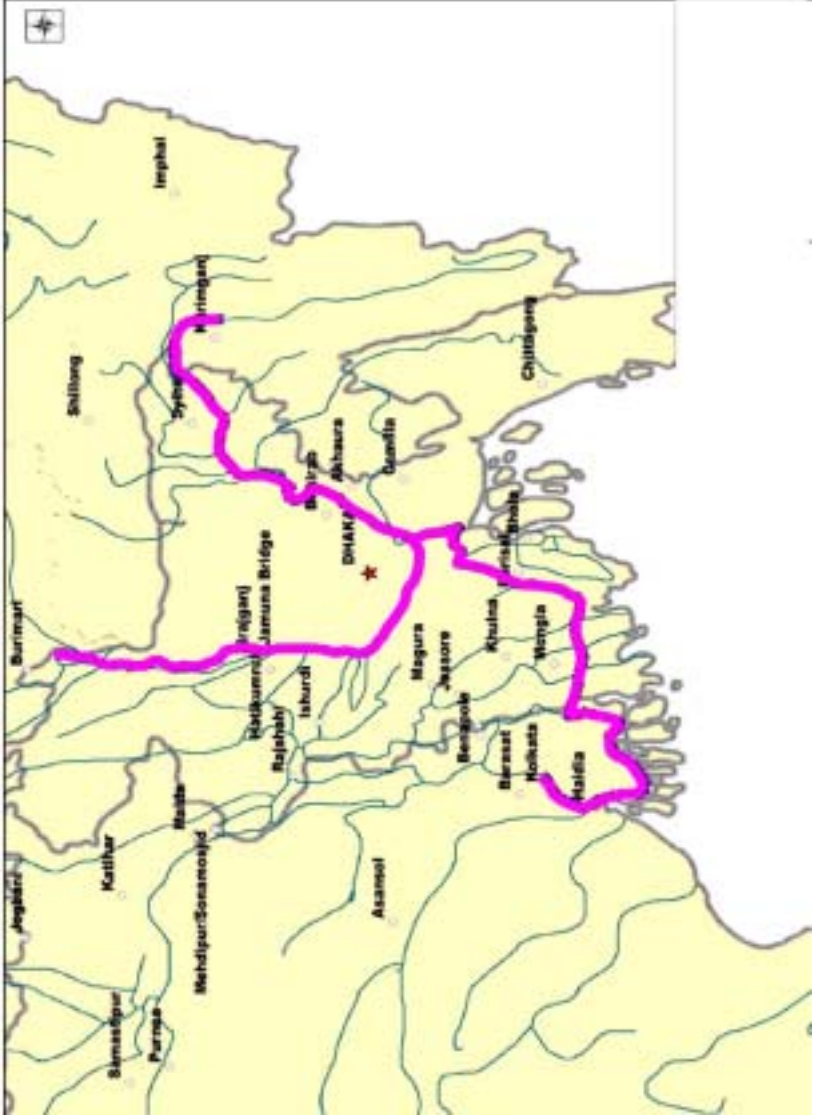
Among the BIMSTEC Countries, inland water transport (IWT) links are available only between India and Bangladesh and it has great potential for further development since it is the cheapest mode of transportation. Indian transit traffic and Indo-Bangladesh bilateral traffic move along this IWT routes under the protocol on “Inland Water Transit and Trade” of October 1999, which followed from the original “Trade Agreement between Bangladesh and India”, signed on 4 October 1980. This is the only transit facility for India through Bangladesh for serving the requirements of NE Indian States (see, Map 8). But the IWT routes are highly underutilized. The Inland Water Transit and Trade Protocol expired on October 3, 2001. Bangladesh is presently agreeing to one, two and three-months extension, while India would like to have renewal for longer periods, say five years.

### ***2.1.4 Maritime Transport***

Traditionally, maritime transport has been the primary mode for movement of international trade. Ports are the key infrastructures in the context of maritime transport. Although in most of the BIMSTEC countries in the past, ports were developed, owned and operated by the public sector, new institutional arrangements are now taking place, which are providing better results in over coming delays at the ports. Many of the busy ports in BIMSTEC were partly privatized, such as Jawarlal Nehru Port (India), Laem Chabang (Thailand), Colombo (Sri Lanka) resulting in higher efficiency in operation (De and Horachaikul, 2005). Some of the world’s leading port companies are also running container terminals in Thailand, Sri Lanka and India. For instance, P&O Ports (now known as DP World) are running couple of container terminals in BIMSTEC countries, from its regional head quarter located in Mumbai. These terminals are: Jawarlal Nehru, Chennai, Vizag, Mundra ports (all in India), Colombo Port (in Sri Lanka), Laem Chabang (in Thailand).

In view of the anticipated rise in intra-regional trade in BIMSTEC, it would be essential to strengthen port infrastructure and other logistic services, where some capacity constraints are already being experienced. In this context, the countries would obviously face resource constraints,

Map 8 : Inland Waterways Links between India and Bangladesh



which could be mobilized only from sources outside the region. Following the examples of the Philippines, Thailand and Vietnam, BIMSTEC countries should welcome Japanese investments and resources in strengthening port capacity and marine fleets.

### ***2A.5 Air Transport***

For promotion of trade and tourism among the BIMSTEC countries, there is a need to have direct air transport links between important places within the subregion. BIMSTEC countries should jointly work out a strategy to increase capital-to-capital air links, and in this connection, adoption of “open skies policy” may help. More and more private sector airlines should be encouraged to grow and operate between BIMSTEC countries. Some of the airports in the sub-region will need capacity augmentation, particularly in ground handling of aircrafts. Private sector investment should be encouraged in the development and management of airports and terminals. Management of some of the national airlines needs drastic reform to bring in efficiency. To encourage more and more passenger movement among BIMSTEC countries, the Group should adopt without delay the “visa exemption scheme”, and to this end, “issuance of visa on arrival” could be the starting point. Direct air links with Japan will facilitate trade and investment between BIMSTEC and Japan.

## **2.2 Facilitation Measures and Improvements Needed**

Besides physical links, considerable difficulties exist at the land border crossings between BIMSTEC countries. The basic constraints are the lack of efficient customs operations, including lack of transparency of procedures for inspection, informal payments and inadequate preparation of customs document by the shipper, etc. Details of the facilitation problems faced and improvements needed are detailed below.

### ***2.2.1 Problems related to Facilitation***

An unusually long time is taken for scrutiny, checking and completion of documents and completion of formalities with banks at border. Banking facilities are inadequate; medical, communication, warehousing security and fire fighting facilities are deficient; wayside

amenities are absent. Goods moving by trucks are required to be transhipped at the border of certain BIMSTEC countries. Due to absence of adequate truck terminals, vehicles are parked on the road, creating acute congestion. In most of the border points, there is only one exit, both for passengers and goods creating considerable inconvenience for the users. Other major problems at some of the border crossing points include followings.

At Rauxal( India): Trucks typically require one day for the full procedures, although most of this time is spent queuing. The inspections and document examinations themselves take only two hours.

At Benapole( Bangladesh): The typical waiting time at the Benapole truck parking yard is 2-3 days, though the delay of up to 15 days has also been observed, particularly if the cargo requires special type of storage or handling.

At Darsana (Bangladesh): Average dwell time for a wagon at Darsana is about two days because of logistic problems. Moreover, permissible rake length in Bangladesh Railway (BR) system is 30 BCX wagons compared to 40 BCX in Indian Railway (IR). As a result, 10 BCX wagons are required to be left behind at the border in India from each Indian rake. A separate train is then formed with the left out wagons from three Indian trains for bringing these to Bangladesh. Lot of time is lost in the process, and Indian wagons are held up for longer periods inside Bangladesh.

At Banglabandha (Bangladesh): Bangladeshi trucks are not allowed to enter India and Nepalese trucks are not allowed to enter Bangladesh. All customs inspections, cargo transfers and other processes must be conducted either in 'no mans' land, or on the public highway. Presently, when Bangladeshi customs officers are required, they must be summoned from Panchagarh, 58 km inside Bangladesh.

At Phulbari (India): The Maximum delay is up to two days. Indian customs make cursory inspections of incoming and outgoing trucks

and conduct paperwork examinations at a small post on the far side of the border gate. There are no facilities for unloading cargo other than manual labour. Indian customs officers are informed at least two hours in advance of a convey's arrival. They are summoned from Fulbari Customs Station, 2.5 km from the border.

### ***2.2.2 Possible Approach to Improved Facilitation***

Besides lack of efficient customs operations at the border crossing including absence of transparency of procedures for inspection, one of the most important non-physical barriers appears to be the lack of an agreement to facilitate uninterrupted movement of goods and/or vehicles across the borders. To address this issue, a comprehensive approach is required, involving relevant government ministries, agencies and the private sector.

In essence, there are a number of problems that need to be addressed either consecutively or concurrently. The first problem relates to the lack of a transport access agreement that would grant the road transport of one country the right to ply on the road of another in relation to bilateral trade, but excluding any rights of cabotage. This is generally regarded as a freight transport agreement and may or may not contain conditionalities such as the need for permits, reciprocal movements, etc. Such agreements normally only relate to the vehicle, rather than the cargo. Whilst such bilateral agreements tend to be specific in that they address the needs of the respective countries, it is critical that they are developed within an overall framework that would allow the possibility being integrated into trilateral or multilateral agreements at a later stage, if this was desirable.

Secondly, there will probably be a need for a Customs agreement that provides for the temporary importation of vehicles from one country to another whilst undertaking movements in connection with the above transport agreement. This is usually based on international conventions, but could possibly be integrated within the transport agreement.

At this stage this would allow transporters from one country to undertake cross border movements and eliminate the need for transfer of goods at the border, with consequent savings in costs. However, the ultimate aim is to promote through transport that would allow the goods to transit through the border to the inland destination for final clearance or through to another border into a third country (or back into the first country). There are two different types of transit – internal and international. Internal transit is the movement from the border to an inland point of clearance. International transit is a movement that enters the country and then exits that country – i.e. the goods are not for domestic consumption. An international transit is both third country traffic and goods from one part of a country to the other through another country, such as between Kalkota and the North-East Indian States transiting through Bangladesh (SRMTS, 2006)

This would require a customs transit agreement. Such agreements are based on the need for security against goods being ‘lost’ in transit with consequent loss of customs revenue and usually specify the nature of that security, be it a financial guarantee, particulars of the vehicles, method of customs sealing etc. Whilst the TIR Convention is the most well known, it is recognized that given the profile of the transport fleets in the region that ratification of this Convention may be difficult, although Pakistan has taken the initiative to do so. Nonetheless, there are a number of models around the world on which such a bilateral or even regional agreement could be based. It is important to note that this will need to be a Customs Agreement, rather than a transport agreement as it covers the cargo rather than the vehicles.

It is suggested that a phased approach be adopted. Firstly, the issue of transport access should be addressed, if required, bilaterally prior to addressing the more complex transit issue. While it would be desirable to have these agreements developed, negotiated and implemented concurrently, a consecutive approach may be more practical and bring benefits at an earlier stage. BIMSTEC may consider a model transport access agreement and a model customs transit agreement that could be used by the countries with necessary changes.



### ***2.3.3 Improved Facilitation: International Conventions***

To facilitate movement of international traffic, countries need to accede to international conventions, which are already well developed. Taking lessons from European experience, UNESCAP resolution 48/11, adopted in April 1992, urged member governments to accede to seven international land transport facilitation conventions (Rahmatullah, 2004). Please see Annexure 1 for further details of these conventions.

But the actual response to accession has been extremely poor. As of 2002, China and India were a party to only one convention each, whereas Bangladesh and Myanmar were party to none. One reason for the poor response, in terms of accession, to these conventions appears to be a perception that some of these conventions, which are of European origin, are too complex for adoption by the developing Asian countries at the current state of their economic and institutional development<sup>1</sup>. There may also be a perception that the national interest could be better served through bilateral agreements negotiated on the basis of reciprocity. These perceptions have persisted largely because of a lack of awareness about the importance of and the benefits that could be derived from an accession to the international conventions.

The bilateral transit agreements that the countries are currently using are, however, not particularly conducive to the expansion of sub-regional trade because of the restrictions usually imposed by the transit country. The transit country specifies the port and the highway routes to be used, railway system to be adopted, frontier crossings to be made available, warehousing infrastructure to be made available at the border points, ports and transshipment points, as well as the documentation procedures for transit trade. This makes transportation across national borders both inconvenient and costly.

---

<sup>1</sup> This is particularly felt in the case of provisions like the one in the TIR convention, which requires international guarantee, supported by private insurance industry, to ensure that duties are paid on goods in transit in the event contractual requirements are not met.

A quick overview of the existing situation with regard to movement of goods and people between countries under study revealed that barriers to movement are substantial. Indicated below are some of the major types of constraints in respect of movement:

### *Constraints related to vehicles*

The constraints which could be related to vehicles may include, among others, the following: Commercial operating rights; Mutual recognition of vehicle registration and roadworthiness certificates; technical standards and specifications of vehicles; Traffic rules, regulations and signals; Mutual recognition of driving licenses; Mutual recognition of third – party liability insurance; and Temporary importation of vehicles.

### *Constraints related to goods*

The constraints related to goods may include, among others the following: Customs facilitation measures; Cumbersome Transit Regimes, Multi-stop Processing of Documents and Goods, Medico-Sanitary and Veterinary Inspection; Compulsory Quality Control Checks, and Special Regimes for certain categories of goods; and currency controls.

### *Constraints related to persons*

The problems that the people face in crossing the borders may include, among others the following: Passports, Visas, and Border Permits; Health Controls; and Regulations concerning personal effects and currency.

### *Constraints related to infrastructure*

Infrastructure related problems could cause great inconvenience to the people and vehicles crossing the border. The problems may include, among others, the following.

Inconsistent road and bridge design standards; Absence of formal standardization of road signs and traffic signals; Absence of a consistent road users charge regime; and Inadequate physical facilities at border crossing.

### *Other Constraints*

There are two other constraints, which could not be grouped under above categories. These are: Lack of Harmonization of Documents and Formats, and Discriminatory National Laws and Regulations.

#### **2.2.4 Improved Facilitation: Sub-regional Agreement**

Recognizing that countries may take sometime not only to accede to the international conventions but to implement them in practice, a number of sub-regional countries have started adopting, as an interim measure, *Transit Transport Framework Agreements* (TTFAs). Important provisions from the international conventions are being included in the protocols of these TTFAs. These are expected to facilitate movement of goods and people among the countries in the subregion who are signing such agreements. TTFA could contribute to harmonization, simplification and standardization of policies and legal instruments, which best lend themselves to action at the sub-regional level. Measures envisaged in TTFAs, such as the mutual recognition of driving permits, the issuance of multiple entry visas to transport operations and harmonized customs documents and procedures, would minimize delay at border crossings to the benefit of transporters and traders.

A number of regional multilateral instruments which have already been adopted, and where at least one of the BIMSTEC countries is involved, could be quite relevant to issues pertaining to the facilitation of the cross-border movement of goods and/or people among the countries of the Group. The instruments where Myanmar and Thailand are involved, include among others, the following: (a) Agreement on the Recognition of Domestic Driving Licenses by ASEAN Countries (1985); (b) The ASEAN Framework Agreement on Facilitation of Goods in Transit (1998); (c) The ASEAN Agreement on the Recognition of Commercial Vehicle Inspection Certificates for Goods and Public Services Vehicles; and (d) The ASEAN Framework Agreement on Multimodal Transport.

Following the ASEAN trend, the GMS countries also adopted a Framework to Facilitate the Cross – Border Movement of Goods and People within the sub region where again, both Myanmar and Thailand

are involved. In line with the above trend of ASEAN and GMS, the BIMSTEC countries may like to consider adopting a framework, which need to be developed based on in-depth studies and consultation with member countries.

Meanwhile, with the financial and technical support of ADB, SAGQ countries (Bangladesh, Bhutan, India and Nepal), under the South Asian subregional Economic Cooperation (SASEC) programme, were trying to bring in improvement in border crossing through both hardware and software improvements. The recently completed SAARC Regional Multimodal Transport Study (SRMTS) also flagged the facilitation measures at the border crossing as important elements to be addressed urgently. To this end, the approach indicated here should be seriously considered.

### **3.0 BANGLADESH TRANSPORT SYSTEM IN BIMSTEC**

In BIMSTEC context, Bangladesh transport system is quite well developed. But there are still a number of problems, which need to be addressed to make it more efficient and remove some of the capacity constraints. Indicated below are some of these major problems in general terms and by mode, together with suggested solutions.

#### **3.1 Major Problems**

Some, of the problems identified were of general nature which are man made and could be easily resolved depending on political support. There are several other problems, which are more related to different modes. For the purpose of clarity, these are being presented below.

##### **3.1.1 General Problems**

As indicated earlier, at present, there is no direct transport movement between Bangladesh and its neighbouring countries, except through Inland Water Transport where Indian transit traffic is allowed to move across Bangladesh. Goods movement by road needs transshipment at the border. This condition has been imposed by Bangladesh without realizing that it increases the cost of all imports, which all the Bangladeshi consumers are paying. On the other side, India has not agreed as yet to allow Nepal's third country trade to use

Bangladesh seaport of Mongla, which has spare capacity. If India agrees, Mongla/Khulna could have direct broad gauge rail connection from Birgunj (Nepal) through Rauxal and Kathihar in India, and Rohanpur in Bangladesh where no transshipment would be needed. This route could have been more cost-effective for both bilateral and third country trade compared to road-based route through Banglabandh. On the Bangladesh side, it does not allow traffic from NE India to use its seaports of Chittagong and Mongla, and also to move across to Kolkata.

The problems mentioned above are all created due to the lack of understanding between the political leaders of the two countries. In this context, it would be useful to undertake a comprehensive study of the “costs and benefits of cooperation in the transport sector between countries of BIMSTEC”, or in other words, a study on “cost of non-cooperation in transport”. The findings of the study should be widely disseminated for awareness creation among political leaderships and people in general, so that transport cooperation issues could be resolved based on facts and figures.

### ***3.1.2 Road Transport related Problems***

The road network in Bangladesh, which provides connectivity to BIMSTEC countries are all high quality 2-lane roads of AH Class-III standards. There are, however, two bridges on Dhaka- Chittagong road, which have some weight restriction. The axle-load limit in roads earlier was 8.2 tons, which has now been revised to 10 tons. But, this has serious implication regarding overloading because most of the present road network was built on the basis of previous axle load limits. Within the BIMSTEC countries, Jamuna Bridge has been providing one of the most important links between South and Southeast Asia. Besides Jamuna Bridge, another ferry crossing is being continued at Aricha to facilitate Jamuna River crossing along Dhaka-Benapole route. As regards border crossing, due to lack of heavy cargo handling equipments and sufficient storage facilities at Benapole, heavy weight cargoes are held up for days together. This situation adversely impact the cost of these imports. At Banglabandha border crossing, which is available for handling only Nepal-Bangladesh bilateral trade, lack of proper facilities causes delays in cargo clearance. Again, due to lack

of harmonization of working hours and weekly holidays, considerable delays were occurring at the border crossing. It is gratifying to note that Bangladesh and India have now agreed to some harmonized timing and weekly holidays at the border areas.

On the software side, the facilitation measures are still very weak. Absence of EDI/IT installation and standardization of documentation, as well as lack simplified and transparent customs procedures, etc. are causing delays in cargo clearance at the border. With regard to passenger movement by road, although two passenger buses operate daily (except Sunday) between Dhaka-Kolkata since 1999, another passenger bus operating between Dhaka-Agartala, on alternate days since 2002, is still a losing concern. This Agartala route could be made profitable if Bangladesh agrees to issue double entry visa to Indian travellers, which is yet to happen.

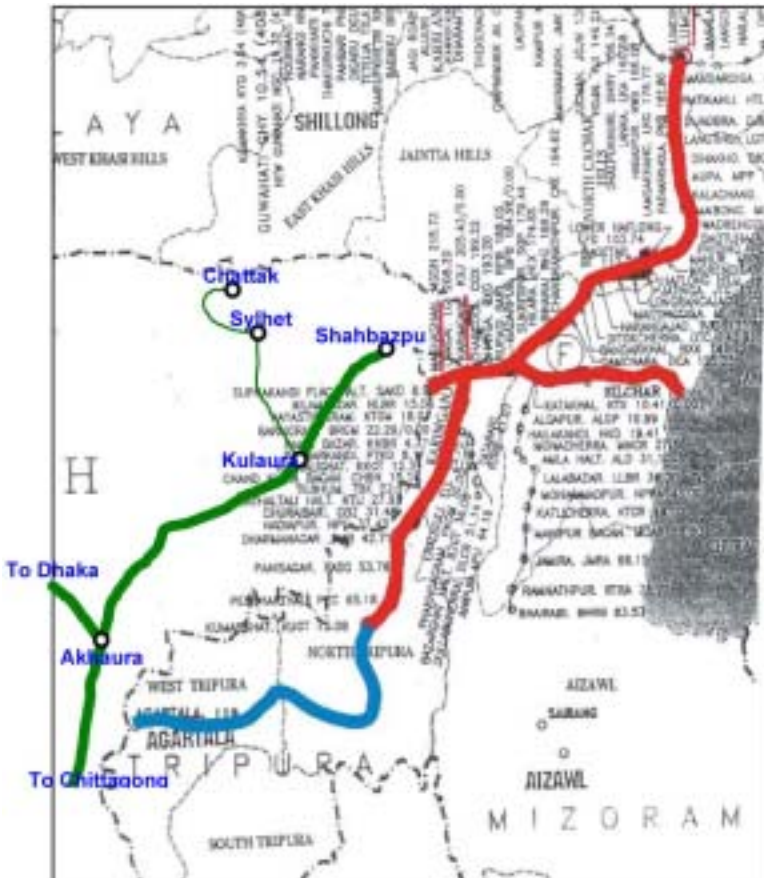
### ***3.1.3 Rail Transport related Problems***

In case of railways, similar to road transport, there is no direct movement between Bangladesh and its neighbouring countries. Indian wagons come only up to the border inside Bangladesh and BR (Bangladesh Railway) locomotives pull these to destinations inside the country. The loop lengths and yard holding lines at Bangladesh border stations of Darsana and Rohanpur are not enough to accommodate full length Indian trains which brings around 40 BCX wagons, while the loop lengths in BR system can accommodate only around 30 BCX wagons. A new rake is formed by the left out wagons from 3 other Indian rakes at the nearby border station in India before the goods train is brought inside Bangladesh stations of either Darsana or Rohanpur. This problem of loop length will continue even when Bangladesh and India decide to have direct train movement unless appropriate measures are taken to resolve it. On the eastern side of Bangladesh, the most important connectivity with BIMSTEC countries is possible through Kulaura-Shahbazpur/Mahishasan-Karimganj route. But this route has not been in use for quite sometime, and needs to be re-commissioned as early as possible.

There is another problem with regard to compatibility and standardization of Bangladesh Railway vis-a-vis railways of

neighbouring countries. BR and IR (Indian Railway) use different coupling and braking systems. As a result wagons of BR cannot be put together with wagons of IR. Another problem is being created by lack of co-ordination between gauge conversion programme of IR and dualization programme of BR. Indian Railway (IR) is going ahead with a major programme of gauge conversion from metre to broad gauge. Work is currently on going in NE-India, around Mahishasan/Karimganj area. On the Bangladesh side, BR has no plan at this point of time to go for dualization of Dhaka- Kulaura- Shahbazpur section (see, Map 9).

**Map 9: Rail Link between North-East India and Bangladesh**



As a result, the prospects of through movement of trains between Bangladesh and NE-India are getting killed for the near future. Under the circumstances, to facilitate smooth movement across BIMSTEC countries, transshipment facilities shall have to be installed at all points where such gauge differences occur.

In the national context, BR is facing some capacity constraints along Dhaka-Chittagong route in carrying containers. At present, out of all containers bound for Dhaka, BR carries only 11 percent and the rest of the containers are de-stuffed at Chittagong and trucks are employed to carry these goods. This is happening mostly because of BR's limited line capacity and partly due to shortage of flat cars. BR with the support of a number of committed donors is seriously looking this issue to resolve the problem.

#### ***3.1.4. Inland Water Transport related Problems***

Among the BIMSTEC countries, as indicated earlier, Inland Water Transport (IWT) connectivity is available only between Bangladesh and India, where transit facilities are also available for India across Bangladesh. But so far India has not used this facility optimally. According to BIWTA (Bangladesh Inland Water Transport Authority) sources, in the year 2002-03, Indian transit traffic was 7625 tons and bilateral traffic was 209,435 tones of which Bangladeshi vessels carried 58.4 percent and 41.6 percent was carried by Indian vessels (Rahmatullah, 2006). Please see table-1 for further details.

**Table 1: Transit and Inter-country Waterways Traffic between Bangladesh and India**

Year	Transit Traffic (Two-way, in metric tons)	Inter-country Traffic (in metric tons)
2001-2002	6625	106828
2002-2003	7625	209435
2003-2004	2513	183553
2004-2005	5106	413832
Up to December,2005	6800	240706

**Source:** BIWTA



Some of the problems which might be contributing to low level of IWT use may include difficulties of round the year navigation along certain sections due to draft limitation, lack of sufficient ports of call, absences of night navigation facilities along the entire route, etc. Moreover, the Inland Water Transit and Trade Protocol expired on October 3, 2001. Bangladesh is presently agreeing to one, two and three-month extension, while India would like to have renewal for longer periods, say five years. As a consequence of this short extension, the transit operators are facing the risk of any time protocol expiry. Therefore, large and long-term investments are not taking place in this mode of transport. Bangladesh and India should study this problem jointly to work out a lasting solution.

Another problem with IWT is the lack of container handling facilities at major inland ports both in Bangladesh as well as in West Bengal state of India. Bangladesh has already started constructing an IWT container terminal at Khanpur, Narayanganj near Dhaka. Facilities are also being planned to establish IWT container handling facilities at Chittagong port. Meanwhile to facilitate immediate movement of containers by IWT between Kolkata and Narayanganj, CONCOR (Container Corporation of India) is trying to install temporarily some floating cranes at Khanpur, Narayanganj to assist in loading and unloading of containers.

### ***3.1.5 Sea Port related Problems***

Bangladesh has two seaports, Chittagong and Mongla. While Chittagong port has recently started facing some capacity constraints, Mongla port has spare capacity, but both the ports have scope for further improvement in management of their facilities. Cargo handling equipments at the ports are insufficient; as a result ship turn around time has increased. Chittagong Port connectivity both by road and rail need further improvement. With regard to Mongla, port connectivity by rail needs to be drastically improved, by installing efficient cargo transfer facilities at Khulna railhead where both road and IWT are available as feeders to Mongla port.

Bangladesh seaports are also suffering from lack of efficient facilitation measures in cargo clearance. For example, port and customs

procedures are still manually handled, which generate considerable paper work. Due to shortage of sufficient technical training, port labour also lacks in some of the required skill.

### ***3.1.6. Air Transport related Problems***

The Aviation Sector is suffering from poor management of the national airlines, the Bangladesh Biman (BB) where the old aircrafts need immediate replacement. Administration of Bangladesh Biman needs complete overhaul. There is a need to increase airport capacity by enhancing capabilities in ground handling of aircrafts. Investments from private sector should be encouraged in airport development, management of terminals, and operation of private airlines.

### ***3.1.7. Direct Connectivity between Bangladesh and Myanmar***

Although Bangladesh and Myanmar is next-door neighbour, there is no direct international connectivity between these two countries. As part of the BIMSTEC community, Bangladesh wants to have a direct road link to Yangon and Bangkok through Gundum in Chittagong Hill Tracts, which could provide a shorter link between the three BIMSTEC countries, namely, Bangladesh, Myanmar and Thailand. While the possible alignment for an international road link between Bangladesh and Myanmar is still to be finalized by both the countries, they however, agreed to a 43 km. bilateral road link through Gundum, of which 23 km. was to be built within Myanmar by the Government of Bangladesh as a token of friendship. But construction could not start on a scheduled date in 2005, because certain formalities were still to be completed.

## **3.2. Measures Needed to Address Various Other Problems**

A number of measures, both software and hardware would be needed to address the problems indicated above. The measures may include, among others, the followings.

### ***3.2.1 Change in Political Mindset, Adoption of Agreements and Enforcement of Regulations in respect of Road Transport***

Virtually, the root cause behind lack of effective transport cooperation between Bangladesh and its neighbours is political. The key to transport cooperation, therefore, lies in the change of political mindset of the leaders of the concerned countries. It would, therefore, be useful to ascertain the real dimensions of the political constraints and reservations which are obstructing integration of the transport system, so that dialogues could be organized involving the entire civil society in those BIMSTEC countries, to find a solution which could be acceptable to the politicians. To this end, a process of awareness creation about the mutual benefit of transport integration, or cost of non-cooperation among countries, based on a comprehensive study referred to earlier, could go a long way in persuading the political leadership about the importance of transport integration.

One of the most important measures that could be taken to address transshipment problem is to go for some bilateral transport agreements between Bangladesh and India, as well as Bangladesh and Myanmar to facilitate smooth movement across the border. In order to facilitate movement between different BIMSTEC countries, across other member countries on transit, it would be necessary to adopt some customs transit agreements by the member countries as a group to allow through movement of goods and vehicles across the subregion.

In case there is a delay in the adoption of bilateral and/or multilateral agreements, and the present system of transshipment of goods at the border continues, it would be necessary to install some heavy cargo handling equipments and develop sufficient storage facilities at Benapole border point. To facilitate quick clearance of goods through all border points, it would be necessary to adopt modern facilitation measures, including installation of EDI/IT system, simplified customs and transparent inspection procedures as well as standardization of documentation.

Since the BIMSTEC road network in Bangladesh was built based on 8.2 axle load limit, it would be desirable not to expose these roads to overloaded trucks. Strict enforcement of restriction on overloading would be essential, for which modern weighbridges need to be installed at strategic locations. In addition, more and more trade through containers should be encouraged, for which Bangladesh should import required numbers of multi-axle truck trailers or get at least the trailers locally assembled.

With regard to harmonization of working hours and weekly holidays across the border between Bangladesh and India, some arrangements have already been agreed to. Under this arrangement, Benapole will work for 7 days a week and for 24 hours a day. Other border points will have 6 working days a week with Friday as a holiday and these will work for 10 hours a day (0700-1700 hours) except during Ramadan, when working hours will be from 0930- 1600 hours.

### ***3.2.2. Measures needed in respect of Rail Transport***

In order to further strengthen regional cooperation among BIMSTEC countries, it would be essential to encourage faster development of rail transport in the region. To this end, Bangladesh Railway (BR) should go for a major restructuring to be able to compete with road transport at the national level as well as to serve the regional needs efficiently. BR should strengthen and enhance its track capacity together with rationalization of its gauge, and acquire more flat cars, wagons and locomotives to better serve the container traffic along Dhaka- Chittagong section as well as inter-country routes. BR should also address its problems related to coupling and braking to facilitate inter-change of wagons between BR and IR, as well as issues related to loop lengths at Darsana and Rohanpur to accommodate full-length Indian trains.

To facilitate train movement up to NE India and beyond to other BIMSTEC countries in the East, it would be necessary to re-commission Kulaura- Shahbazpur/Mahishasan section at an early date. With regard to the load restriction by rail on Jamuna Bridge, the problem could be overcome, for the time being, by allowing movement

of goods by containers only. In the long run, Bangladesh should seriously consider going for a second bridge on Jamuna for rail only, leaving the present bridge for use entirely by road. BR's decision to establish a modern and large capacity ICD (Inland Container Depot) at Dhirasram, Tongi near Dhaka needs to be implemented urgently. It is understood that the World Bank has expressed interest to finance the construction of this ICD.

### ***3.2.3. Measures needed to address IWT and Port related Problems***

In order to revitalize IWT in the context of inter-country movement between Bangladesh and India, a joint study should be commissioned as soon as possible, and the present Protocol signed between these two countries should be renewed for longer periods. IWT-based container terminals should be established both at inland destinations as well as in Chittagong and Mongla ports, together with acquisition of IWT barges suitable for carrying containers to and from Dhaka.

To be able to handle inter-country traffic from the countries and territories in the hinterland, such as NE-India, Nepal Bhutan, the capacity of Chittagong port needs augmentation together with modernization of its management and adoption of facilitation measures based on EDI/IT system. Rail connectivity to Mongla port needs improvement with efficient transfer facilities established at Khulna for IWT and road based feeder system. Port labour productivity also needs improvement through technical skill training. In addition, the potential of establishing a deep sea port for BIMSTEC countries at Kutubdia/ Maheshkhali near Chittagong should be seriously explored.

### ***3.2.4 Measures needed to address Air Transport related Problems***

Bangladesh needs to improve the management of its national airlines, Bangladesh Biman. Some of the old aircrafts need immediate replacement. Bangladesh should also encourage more private sector investments in airport development and terminal management as well as for establishment of private airlines. Capacities of certain airports also need expansion, for which capabilities in ground handling of aircrafts need enhancement.

## **4.0 POTENTIALS AND EFFORTS UNDERWAY TO STRENGTHEN REGIONAL COOPERATION**

It is a recognized fact that the present system of transshipment at the border of goods traded between Bangladesh and its neighbouring countries is costlier, time-consuming and contributes to corruption. Such a system should be abolished without delay and vehicles allowed to transit through Bangladesh, under prevailing international norms, to facilitate movement of goods and passengers originating in India, Nepal and Bhutan. As part of the benefit, Bangladesh could earn considerable foreign exchange from both North-South and East-West transport links with India, Nepal and Bhutan at various points. Bangladesh should therefore, improve her roads, railways and waterways in order to offer improved and competitive services to her next door neighbours. In this context, some of the prospects and initiatives being taken to further strengthen regional cooperation are indicated below.

### **4.1 Prospects of Bangladesh becoming a Transport-hub**

India and Bangladesh could jointly develop infrastructure capabilities in order to improve transit facilities and services. India, should also offer to invest in the up gradation of the railway system as well as in the expansion of port facilities at Chittagong. The Indian railhead at present is 135 ks from Agartala (Tripura State). But Agartala is only around 7 km from Akhaura and could easily be accessed from Bangladesh by road and rail and an outlet through Chittagong port could be provided without difficulty.

Such internal transport systems could aim towards building a common system to feed into the bigger regional transport grid. The costs of developing this system could also be shared, as it would be a win-win situation for all concerned. The economic and political gains from improved transport and transit to both India and Bangladesh would be very high. Once such infrastructure and linked industrial developments have taken place, the subregion would be more attractive for national, regional and international investments. Transit facilities would also promote people to people interaction.

The transit issue, however, needs to be resolved soon. This could be managed in a soft manner and transshipment of goods at the border could be avoided if Bangladeshi trucks could be allowed to pick up goods from inside India and deliver these on the other side of India across Bangladesh. This transport business could be run entirely by road transport operators of Bangladesh, who would be required to use multi-axle vehicles to carry containers across Bangladesh, so that the roads are not damaged. But for a long-term sustainable solution, transit should be provided mainly through railway and inland water transport where adequate spare capacities are already available and/or could be easily created. Although, at present there is some load restriction on Jamuna Bridge for fully loaded broad gauge Indian wagons, but fully loaded ISO containers on BG flat cars can easily move over the bridge to take care of the inter-country and transit traffic.

The development of Mongla port plus its hinterland, to offer transit to Nepal and Bhutan could also be an important opportunity for Bangladesh and its northern neighbours. This would help these countries to diversify their trading outlets through Mongla port. For this prospect to be realized, India must agree to allow movements of Nepal and Bhutan's transit traffic across its Territory.

A few years back, a Japan International Cooperation Agency (JICA) report stressed that Bangladesh has tremendous potential for becoming more competitive in many economic fronts. With adequate foreign investment, Bangladesh can emerge as the *epicenter* of a Bay of Bengal industrial triangle, embracing Northeast India, Nepal, Bhutan, Northern Myanmar, and South–West China. The development of the Eastern South–Asia sub-region centering on Bangladesh should therefore, be increasingly viewed within a regional context (Inoue, 2004). According to another study, Bangladesh seems to have great potential for developing a *deep-sea port* at Kutubdia and/or Maheshkhali near Chittagong, which have large protected areas for such development.

In order to avail of such opportunities originating from developments in the above-mentioned subregion, Bangladesh should

improve its infrastructure facilities to support the trade. If port facilities could be augmented and improved and related services and management made more efficient, then Chittagong port could become an attractive choice for servicing not just the North –East India, but could, via the *Jamuna Bridge* service Nepal and Bhutan, and could even be a cost-effective outlet port for the external trade of South West China. Mongla port facilities also need to be improved and efficient rail connectivity established with the port together with modern transfer facilities at Khulna, for handling third country trade of both Nepal and Bhutan. Once these transport links are improved and the countries/territories in the hinterland get well connected and the links are fully operationalized, Bangladesh could become the *transport hub* of Eastern South Asia subregion within the BIMSTEC context.

If Bangladesh fails to integrate into the rapidly changing and expanding transport system of Eastern South Asia, the system will develop without Bangladesh. Under those circumstances, Bangladesh will have to pay heavily for exclusion in lost economic opportunities and later, added costs, for integrating, out of necessity into the fast developing transport systems around it.

Bangladesh has had political reservations in respect of transit facilities to be provided to India for movement across its territory. This has gradually become highly sensitive political issue in the country. Such political constraints would obviously need to be taken into account by the respective governments in addressing this transit/transshipment issue. This paper has, however, tried to highlight the economic costs and loss of benefit to both Bangladesh and India as well as to Nepal and Bhutan, for the slow progress in resolving the transit issues and the benefits that could have been gained by all concerned in terms of employment, investment and income generation, if the issue could be resolved. It is both possible, and also feasible, to substantially improve the transport links to the mutual economic benefit of all concerned. This must be kept in mind by both the governments of Bangladesh and India, in making what will always be politically driven decisions on this subject.



## 4.2 Signing of the Asian Highway (AH) Agreement

The Asian Highway project was conceived and promoted by UNESCAP is now 141,000 km long and crisscrosses 32 Asian countries with linkages to Europe.

During the first phase of the project (1960-1970), considerable progress was achieved, but subsequently the progress slowed down when some of the countries in Asia faced war like situation, and financial assistance to the project was suspended by UNDP in 1975. However, in 1980s and 1990s when peace returned to those countries in Asia, the Asian Highway project got a new momentum. It is now one of the three pillars of Asian Land Transport Infrastructure Development (ALTID) project comprising the Asian Highway, the Trans-Asian Railway and facilitation measures for border crossing, which was endorsed by ESCAP at its forty-eight session in 1992.

In order to formalize the establishment of the Asian Highway network and to ensure commitment of the member governments towards its further development, standardization and maintenance, an Intergovernmental Agreement on the Asian Highway Network was adopted on 18 November 2003 in Bangkok. It was open for signature in April 2004 in Shanghai and entered into force on 4 July 2005. The last date of signing the agreement was December 31, 2005. It was the first treaty to have been developed under the auspices of the UNESCAP secretariat and deposited with the Secretary-General of the United Nations. It provides a framework for coordinated development of this international highway in Asia, as well as between Asia and Europe. It has provided the member countries a platform to discuss technical and institutional issues to improve the quality of the network and increase the efficiency of its operation. The Agreement is an important tool to promote regional cooperation, facilitate international trade and tourism. As of now, the Agreement has been signed by 28 member states out of 32 members, of which 19 have already become Parties.

Since the Asian Highway network provides the basic road network of BIMSTEC countries, the above agreement would make a great contribution in improving the main road links between the member countries.

### **4.3 Signing of the Trans Asian Railway (TAR) Agreement**

Immediately following the launching of the Asian Highway project in 1959, the UNESCAP initiated the Trans-Asian Railway (TAR) project in 1960, with the objective of providing a continuous rail link between Singapore and Turkey, via South-East Asia, Bangladesh, India, Pakistan and the Islamic Republic of Iran. Subsequently, through a series of studies, major rail networks of international importance in China, Russia, Mongolia, and 5-Central Asian Republics were added to the TAR network. In the recent years, through a number of demonstration projects along the northern corridor, the TAR network in that corridor has been fully operationalized, which has been a significant development.

In order to formalize the TAR network and to ensure continued commitment of the member states to its further development and maintenance, the 60th session of UN-ESCAP (in Shanghai) in 2004 endorsed the proposal of developing an Intergovernmental Agreement on the Trans-Asian Railway Network. A draft agreement on TAR was then considered and finalized by an Intergovernmental Meeting in Bangkok in November 2005. The UN-ESCAP at its 62nd session in Bangkok in 2006, endorsed the Intergovernmental Agreement on Trans Asian Railway, which will now be opened for signature from 10 to 11 November 2006 at Busan, Republic of Korea, and subsequently from 16 November 2006 to 31 December 2008 at the United Nations Headquarters in New York. The signing ceremony will take place on 10 November 2006 during the Ministerial Conference on Transport to be held from 6-11 November 2006 in Busan, Republic of Korea.

The Agreement will provide new impetus for regional development and play a catalytic role in defining a common vision, coordinating programmes of action and, in collaboration with international financial institutions, identifying investment requirements and sources. Since the main rail network, which provides linkages between BIMSTEC countries are based on the TAR routes of international significance, the above Intergovernmental Agreement will go a long way in further strengthening and standardizing the BIMSTEC network.

## 5.0 OPPORTUNITIES FOR JAPANESE COOPERATION

BIMSTEC, like any other sub-regional group would naturally take time to take off. Good ideas and promising declarations only do not take such collective efforts far enough, unless the essential inputs of sustained political good will, critical mass of practical activities of cooperation and much needed input of capital can be brought to bear on the concept. This is where Japan can come in. Japan can substantially cooperate with the BIMSTEC countries within the framework of this regional cooperation (Osmany, 2006).

In case of international cooperation, all partners seek to maximize own advantages and gains in the process. The economically strong countries usually prefer bilateral deals as they can squeeze more out of bilateral negotiations with weaker countries, having very weak institutional capacity and still weaker political maneuverability. Hence, the weaker countries feel more comfortable and confident within a multilateral framework. It would be very important in BIMSTEC-Japan cooperation to accommodate these mutually opposite concerns and approaches.

The analysis provided in the previous chapters revealed that the BIMSTEC member countries are in different levels of infrastructure development, and complementarities among the members are substantial. The level of complementarities would be stronger if we could persuade Japan to join the Group. This would also increase the scope for closer regional cooperation. Japan's vast experience in the development of its own road infrastructure, aviation, ports and shipping, and its track record of continued financial and technical support to the developing countries of Asia in strengthening their transport infrastructure would be a great source of inspiration for BIMSTEC countries. Japan's association with BIMSTEC would open up immense opportunities for its member countries that could expect tremendous support in strengthening their own transport infrastructure and thereby raise their international competitiveness. BIMSTEC countries should, therefore, work together to persuade Japan in joining the Group.

In addition, India's successful experience in modernizing its rail system as well as advanced logistics software development,

and Thailand's vast experience in private sector led transport infrastructure development as well as the recent development of a large and modern Suvarnabhumi Airport at Bangkok to serve as a regional transport hub, would provide considerable scope for experience sharing and technical assistance to other less developed BIMSTEC countries.

Existing bilateral economic and trade relations of Japan with Thailand and the recently growing economic and trade cooperation of Japan with India can be expanded to include Bangladesh and others in the framework of BIMSTEC. Bangladesh has excellent economic relations with Japan, though in the areas of FDI and trade there is much to be done. Market access, capacity building and movement of capital and labour are among the important issues for Bangladesh. Scientific and technical cooperation is also a promising area (Osmany, 2006).

### **5.1 Japanese Cooperation to Bangladesh in Recent Years**

As of the end of Japanese FY 2004, JBIC (Japan Bank of International Cooperation) extended 70( Seventy) ODA loans to Bangladesh of which 13 percent was for Transportation Sector (JBIC, 2005). Most of the support is provided to improve economic infrastructure and for agricultural and rural development that are vital for economic growth and for reduction of poverty. Infrastructure development being an indispensable requirement for economic growth and sustained poverty reduction in Bangladesh, in the recent years most donors have been emphasizing the need for its development particularly to enable it in attaining the Millennium Development Goals (MDGs). JBIC therefore, decided to assist Bangladesh in developing the transportation network and other public utilities, where private-sector investment fell short. It also continued to assist Bangladesh in increasing efficiency in the public sector.

So far, JBIC provided ODA loans for construction of Bangabandhu Bridge (Jamuna Multipurpose Bridge) together with Jamuna Access Road, Lalon Shah Bridge (Paksey Bridge), recently opened Khan Jahan Ali Bridge (Rupsa Bridge). Under the transport sector, JBIC extended

loan assistance for the development of Chittagong Shah Amanat International Airport and many other projects, which included among others, construction of Dhaka-Chittagong Highway 4-laning, Tongi Diversion-Gulshan Road, Rehabilitation of Rail Tracks and Locomotives, Chittagong Port Capital Dredging and River Dredging, Development of Dhaka City Circular Waterway. Most recently (2004-06), JBIC extended support also to Periodic Road Maintenance by RHD (Roads and Highways Department) and LGED (Local Government Engineering Department). JBIC is also supporting the establishment of Road Maintenance Fund (RMF) and expressed interest to make some initial contribution to the Fund once it is established.

## **5.2 Areas for Future Japanese Cooperation in Bangladesh**

To identify and prioritise the areas of cooperation between BIMSTEC and Japan in general, it may be quite useful to initiate a Joint BIMSTEC-Japan study keeping in view the needs and concerns of weaker members of the group. In the context of Bangladesh, JBIC has already joined hands with the World Bank (WB) and the Asian Development (ADB) and working together to bring in a major reform in the Bangladesh Railway (BR). JBIC has expressed interest to support rail track strengthening and capacity expansion as well as rolling stock acquisition to make Dhaka-Chittagong corridor of BR more competitive with road transport. The areas where Japanese assistance could be sought in the future for the development of transport sector in Bangladesh may include, among others, the following:

- i) Acquisition of modern weighbridges for installation at strategic locations along major highway network of Bangladesh to facilitate strict enforcement of restriction on over-loading.
- ii) Expansion of storage capacity, and acquisition /installation of heavy cargo handling equipments at Benapole to avoid delays in transferring imported heavy machineries from Indian trucks to Bangladeshi trucks at the border.
- iii) Construction of a separate bridge over Jamuna, exclusively for railway because there is a restriction for movement of a fully loaded broad gauge train of Indian standards on the present Jamuna

Bridge. Since the river training works for the second bridge had already been carried out as part of the first bridge, there will be only marginal cost to build the second bridge along side for railway only. Once the second bridge is built, the present Jamuna Bridge could be available for exclusive use by road transport.

- iv) Establishment of a second Inland Water Transport (IWT) container terminal at Pangaon (near Dhaka) and Chittagong together with acquisition of container carrying barges/tugs, as well as cranes. (The first IWT container terminal is already under construction at Khanpur in Narayanganj and should be available for use by the end of 2007).
- v) Augmentation of port capacity at Chittagong since it is facing acute capacity constraints. This situation is likely to continue even after the completion of New Mooring Terminal by 2007.
- vi) Establishment of a deep sea port at Kutubdia or Maheshkhali, south of Chittagong. Both these places have deep water and have natural protection. This deep-sea port when established would serve not only Bangladesh but also the countries in the immediate hinterland, such as Nepal, Bhutan and NE India.
- vii) Enhancement of airport capacity, particularly in ground handling of aircrafts.
- viii) Improve drastically, the Management of Bangladesh Biman to enable it to run as a private sector entity.
- ix) Acquisition of a few newer aircrafts for Bangladesh Biman to replace the older aircrafts..
- x) A study on the realistic assessment of the potential benefits of strengthening transport connectivities among BIMSTEC countries, and enhancing trade and investment.

## 6.0 CONCLUSIONS

The present state of transport integration among BIMSTEC countries is totally out of step with the global trend towards regionalization. Most of the members of this group, given their physical and cultural proximity and shared history and heritage, form a natural area for integration. Most of these countries, particularly those which were part of the then British India, once formed part of an integrated economy, and yet they probably constitute one of the less “internally connected” sub-regions in the world today.

The integration of the transport networks of BIMSTEC countries, in fact would largely involve a reintegration of existing infrastructures of majority of its members, requiring minimum commitment of economic resources. The major road and rail transport links of BIMSTEC countries are in fact being improved by the respective governments as part the Asian Highway (AH) and the Trans Asian Railway (TAR) networks. In order to ensure that all BIMSTEC countries benefit from such integration, attention needs to be given to the question of more balanced trade flows among these countries based on the exploitation of complementarities that exist among their economies. Establishment of joint ventures among the entrepreneurs of these countries can help achieve this objective. In this respect, there is an immediate need for private and public sector collaboration within a multilateral framework.

National transport systems are, however, within the exclusive jurisdiction of sovereign governments and their integration can be achieved only when the national governments show a strong political commitment to the goal of a more integrated BIMSTEC community in general and their integrated transport system in particular. In this context, it would, however, be desirable to ascertain the real dimensions of the political constraints and reservations which are still obstructing integration of the transport system, so that dialogues could be organized in those countries involving the entire civil society, to find a solution which could be acceptable to the politicians. To this end, a process of awareness creation about the mutual benefit of transport integration, or cost of non-cooperation among countries based on a comprehensive study referred to earlier, could go a long way in persuading the political leadership about the benefit of transport integration.

While the full integration of national networks similar to Trans-European transport network should remain a long-term goal, the BIMSTEC countries have to establish first, an efficient level of cross-border transport systems among themselves. Unless progress is made in this direction soon, the BIMSTEC, as a subregion will become the missing link in an otherwise integrated regional and world transport network, not to speak of the lost opportunities in terms of exploiting their full economic potentials and a fuller participation in the global economy.

Finally it may be said that the task that lies ahead for the countries concerned is difficult but not insurmountable, if it is approached one step at a time, by the countries concerned. It is the most opportune time now for concerted efforts to be made by all stakeholders, the governments, the private sector and the civil society at large, particularly in those countries where political leaders are not yet fully committed to open up and go for whole-hearted cooperation with the neighbouring member countries. This approach would be essential to bring about a change in the political mindset of those leaders, so that a long lasting solution can be achieved.

## REFERENCES

- Das, Gurudas. (2001) *Trade between North Eastern Region and Bangladesh: Nature, Trends and Implications for Development Cooperation*. Paper presented in the seminar on *India's Northeast and Bangladesh: Problems and Opportunities*, Guwahati: February 2001.
- De, Prabir and S. Horachaikul. (2005). *Towards BIMSTEC-Japan Comprehensive Cooperation in Transport Sector: Vision and Tasks Ahead (Transport Sector Theme Paper)*. Paper Presented at the *1<sup>st</sup> International Conference Towards BIMSTEC-Japan Comprehensive Economic Cooperation: Vision and Tasks Ahead*. Kolkata: December 16-17.
- Japan Bank of International Cooperation (JBIC). *Annual Report 2005*. JBIC Assistance in Bangladesh.
- Osmany, M. R. (2006). *BIMSTEC-Japan Cooperation: Bangladesh Perspective*. Chairman's Address at the Seminar on *BIMSTEC-Japan Comprehensive Economic Cooperation: Bangladesh Perspective*. Dhaka: July 2006.
- Rahmatullah, M. (2004). *Improving Transport Links and Facilitation*. Paper Presented at the *Academic Workshop of the Fifth BCIM Forum*. Kunming: December 21-23.
- Rahmatullah, M. (2006). 'Promoting Transport Cooperation in South Asia' in *Regional Cooperation in South Asia: A Review of Bangladesh's Development 2004*. Dhaka: University Press Limited (UPL) and the Centre for Policy Dialogue (CPD). Chapter 11.
- SRMTS. (2006). *SAARC Regional Multi-modal Transport Study, SAARC Secretariat*. Kathmandu, Nepal.
- Subramaniam, Uma. (2001). 'Transport, Logistics, and trade Facilitation in the South Asia Subregion' in *Integration of Transport and trade Facilitation: Selected Regional, Case Studies*, Washington D.C: The World Bank.
- Murayama, Mayumi and Rahmatullah, M. (2004). Transport Connectivity between Bangladesh and the Neighboring Countries in *Sub-regional Relations in the Eastern South Asia: With Special Focus on Bangladesh and Bhutan* (pp.32), Joint Research Program Series No 132, Institute of Development Economics, Japan.



## **SEVEN INTERNATIONAL LAND TRANSPORT FACILITATION CONVENTIONS RECOMMENDED BY UN-ESCAP THROUGH RESOLUTION 48/11 OF 1992**

1. **Convention on Road Traffic, (Vienna 1968)** - To increase road safety through the adoption of uniform traffic rules.
2. **Convention on Road signs and signals (Vienna, 1968)** - To further increase road safety, there is a need to go for uniformity of road signs, signals, symbols and road markings.
3. **UN customs convention on international transport of goods under cover of TIR carnet, 1975** - To permit the international carriage of goods by road from one customs office of departure to a customs office of arrival, through as many countries as necessary, without any intermediate frontier check of the goods carried.
4. **Customs convention on the temporary importation of commercial vehicles (Geneva, 1956)**- To grant temporary admission to vehicles imported and used in international road traffic for commercial use, without payment of import duties and import tax, and subject to re-exportation
5. **Customs convention on containers (Geneva, 1972)** - To grant temporary admission to containers whether loaded or not, without payment of any duty or tax, subject to re-exported within 3-months (unless the period is extended) from the date of importation.
6. **International convention on the Harmonization of frontier controls of goods (Geneva, 1982)** - To facilitate the international movement of goods by reducing the requirements for completing formalities as well as the number and duration of controls, by national and international coordination of control procedures, and their methods of application.
7. **Convention on the contract for the International carriage of Goods by Road (CMR), Geneva, 1956** - To standardize the conditions governing the contract for the international carriage of goods by road, particularly with respect to the documents used for such carriage and to the carrier's liability.

## **Centre for Studies in International Relations and Development**

The Centre for Studies in International Relations and Development (CSIRD) is a non-profit research organization which seeks to carry out policy-related work in the field of international relations and development cooperation. It aims to grow into a leading think tank to promote policy issues related to globalisation, trade and development. CSIRD emerged out of a recognised need for an institution that would give a distinct shape to the realisation of a shared future for the World. It is an organisation involved in addressing issues of multilateral, regional, bilateral and national concern to our society. The work of CSIRD is published in the form of research papers, books, working papers, monographs and journals.

---



### **Centre for Studies in International Relations and Development**

P 534 Raja Basanta Roy Road

Kolkata 700029, India

Phone: +91-33-2463 7322

Fax: + 91-33-2463 7322

Email: [membersecretary@csird.org.in](mailto:membersecretary@csird.org.in);

[csirdindia@yahoo.co.in](mailto:csirdindia@yahoo.co.in)

Websites: <http://www.csird.org.in>;

<http://www.bntt.org>