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# TRADE AND TRANSPORT FACILITATION MONITORING MECHANISM IN BANGLADESH

BASELINE STUDY

# **TRADE AND TRANSPORT FACILITATION MONITORING MECHANISM IN BANGLADESH**

**BASELINE STUDY**



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# FOREWORD

Let us start with a fundamental question: why is trade facilitation important for developing countries especially the least developed countries and landlocked developing countries?

It is because trade facilitation is essential to lower trade costs, reduce trade time, and enhance the efficiency of supply chains. These factors, in turn, enable a country to increase trade, be better integrated into global value chains, enhance national competitiveness and productivity, and generate decent jobs. In this sense, trade facilitation contributes directly to the realization of the United Nations 2030 *Development Agenda* and achievement of *Sustainable Development Goals*—in particular the SDG 17.

This largely explains why the Asian Development Bank (ADB) and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), together with other partners, have been keen to support countries in advancing trade facilitation, as reflected in the *South Asia Subregional Economic Cooperation Program* and the *SASEC: Powering Asia in the 21st Century*.

Establishment of a Trade and Transport Facilitation Monitoring Mechanism (TTFMM) is critical for a country to understand the current situation in order to identify bottlenecks and prioritize recommendations for the implementation of trade facilitation measures. More importantly, it emphasizes national ownership and sustainability and the means to achieve them: primarily through institutional arrangements and national capacity building.

A baseline study is the first step to establish TTFMM. The current report—as an output of the baseline study—reviews trade and transport procedures, reports relevant indicators, analyzes bottlenecks, and proposes a way forward. Furthermore, this report provides detailed information on data collection and validation processes which should be treated as a useful reference when similar studies under the TTFMM are carried out in the future.

ADB and UNESCAP are proud to work with different stakeholders in Bangladesh in trade facilitation and we are committed to such endeavors in the future.



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The baseline study and the underlying project were managed by Tengfei Wang from the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and Aileen Pangilinan from the Asian Development Bank (ADB) under the guidance of Yann Duval and Ronald Antonio Q. Butiong. Tanya E. Marin, Linel Ann Reyes-Tayag, and Alona Mae Agustin from ADB provided support for the logistical arrangements of the workshops.

The report was prepared by Tengfei Wang and Mohammad Farhad based on five separate reports prepared under the project. Yvonna Bondi provided critical review of the report. Chorthip Utoktham calculated trade costs. Study design and supervision were provided by Tengfei Wang.

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Shigeaki Katsu from Customs Training Institute, Japan was nominated by the World Customs Organization to deliver training on Time Release Study while Fedor Kormilitsyn from UNESCAP delivered training on the Time/Cost–Distance method at the national workshop on TTFMM in Dhaka on 28–29 April 2014.

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\* South Asia Subregional Economic Cooperation. <http://sasec.asia/index.php?page=event&eid=213&url=bgd-ttfmm-validation>

# ABBREVIATIONS

ADB	Asian Development Bank
ASYCUDA	Automated System for Customs Data
BBIN	Bangladesh, Bhutan, India, and Nepal
BPA	business process analysis
C&F	clearing and forwarding
CPMM	corridor performance measurement and monitoring
LCS	land customs station
SAFTA	South Asian Free Trade Area
SASEC	South Asia Subregional Economic Cooperation
TCD	time/cost–distance
TFA	trade facilitation agreement
Tk	Taka
TRS	time release study
TTFMM	trade and transport facilitation monitoring mechanism
UML	unified modelling language
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNNEXT	United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific
VAT	value-added tax
WCO	World Customs Organization
WTO	World Trade Organization
WTO TFA	World Trade Organization Trade Facilitation Agreement

# EXECUTIVE SUMMARY

As the key outcome of the baseline study of Trade and Transport Facilitation Monitoring Mechanism (TTFMM) in Bangladesh, the current synthesis report is derived from a series of studies carried out by the same project team and is targeted for policy makers, governmental officials, and the general public.

Given the nature of the baseline study, the current report is aimed to not only report current trade facilitation in Bangladesh but also to lay a foundation for future studies and the establishment of long-term sustainable TTFMM. Accordingly, this report covers topics such as the importance of trade facilitation, the crucial role of TTFMM for continued improvement of trade facilitation, the key methodology for data collection called Business Process Analysis Plus (BPA+), and the rationale for defining the scope of monitoring.

By examining the export of plastic kitchenware and tableware from Bangladesh to Bhutan through Burimari land port and the import of lentils from Nepal to Bangladesh through Banglabandha land port and by conducting studies on corridors and border crossings, the report presents a set of indicators which quantify current trade and transport facilitation. For example, the report shows that the duration for a regular and new trader for completing trade procedures is approximately half a month and a month, respectively; average speed along the transport corridors is less than 30 kilometers per hour (km/h) while border crossing time for import and export is over 6 hours and 2 hours, respectively.

The indicators, together with a detailed analysis of trade procedures and documents, reveal bottlenecks and areas for improvement in trade and transport facilitation. To list a few examples:

- For a regular trader to complete the export process, 11 documents are required and these documents need to be submitted repeatedly—93 times. Similarly, for a regular trader to complete an import process, 18 documents are required and these need to be submitted for a total of 71 times.
- It is costly to complete onetime procedures for a new trader. In typical cases, a new trader needs to cover approximately \$840 to complete processes exporting plastic kitchenware and tableware from Bangladesh to Bhutan through Burimari Land Customs Station (LCS) which includes Tk41,650 (or \$533.97) for completing onetime procedures for a new trader. A new trader needs to cover the costs of \$1,450 for completing the process of importing lentils from Nepal to Bangladesh through Banglabandha LCS, which includes the cost of Tk43,950 (or \$563.46) for completing onetime procedures for a new trader.
- The average speed with and without delays along corridors under study is 15–17 km/h and 24–27 km/h, respectively, which is much lower than the average speed surveyed in Central Asia.

Key recommendations in this report are divided into short-term and long-term interventions. The former includes (i) implementation of online application, approval, issuance and renewal of license/certificate/permit in a number of similar processes; (ii) installation and operationalization of Automated System for Customs Data (ASYCUDA) World at Banglabandha LCS; (iii) rearrangement of internal workflows of Customs;

(iv) removal of repetitive or redundant processes; (v) reduction of costs burden; (vi) harmonization of data and documentary requirements, and (vii) strengthening professional relationships with all parties involved in the trade procedures.

Long-term interventions include (i) introduction of SWIFT (Single Window Interface for Facilitating Trade), (ii) ensuring legal consistency for the introduction of single window/electronic procedures, (iii) transparency in legal requirements, (iv) establishment of authorized economic operator/trusted trader program, (v) upgrading skills of the front line officials, and (vi) improving transport and border crossing infrastructure.

Most proposed procedures are covered by the World Trade Organization's Trade Facilitation Agreement (WTO's TFA), indicating the importance of implementing TFA for advancing trade and transport facilitation in a country. On the other hand, the report substantially adds value to implementing TFA because it identifies trade facilitation measures that need to be administered in the short- and long-term, and therefore, supports a country to prioritize the implementation if the country faces financial and human capacity constraints.

This report reveals the benefits and importance for the countries to join the emerging regional agreements especially the *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific*. Trade and transport procedures between Bangladesh and its two trading partners, Bhutan and Nepal, involve transit country India. State-of-the-art cross-border exchange of data and information among these countries is crucial for ensuring efficiency of trade process. However, relevant work in this area remains largely at the nascent stage of development. These countries should consider joining the regional agreement to take full advantage of the opportunities for accessing new technology and innovative practice, receiving technical assistance and building capacity.

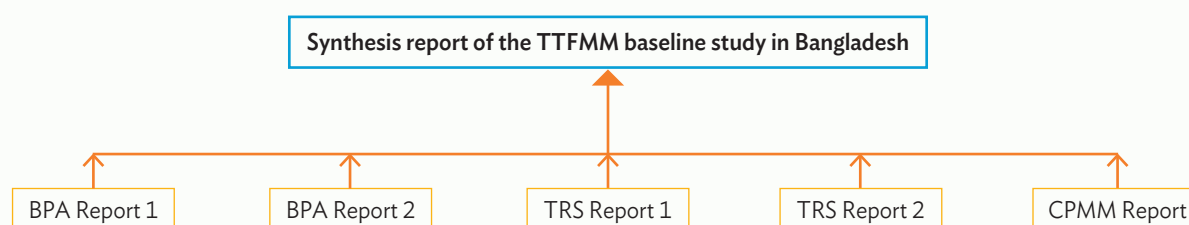
The report highlights the importance of monitoring trade and transport facilitation from a holistic perspective. The report shows that border crossing and transport time may account for 1%–2% and 8%–9% of total trade time, which means that optimizing border crossing and transport processes is important but not enough to enhance the whole trade process. Other trade procedures must be taken into consideration in order to improve the trade process.

In light of the Bangladesh, Bhutan, India, and Nepal (BBIN) Motor Vehicles Agreement, the report presents both the challenges and enormous opportunities for enhancing transport efficiency along the BBIN corridors. On the one hand, the current average speed of vehicle movement along the corridor is very low. On the other hand, if the average speed can be improved to 30 km/h on average, 44%–50% of the transport time could be reduced. Policy makers and other stakeholders should treat this as encouraging news because once the measures to streamline trade and transport processes are in place, substantial improvement can be expected in transport along the corridors.

To lay a foundation for similar studies in the future and the establishment of TTFMM, the report reviews the most important aspects of establishing TTFMM in the country including institutional arrangement, national capacity building, resources, continuation, and expansion of monitoring and alignment of TTFMM with global and regional initiatives.

It is important to note that this is based on five separate reports, prepared under the project, that feed into the current report. The relationship of the reports is shown in the figure. As such, while the current report is self contained, readers are encouraged to consider all of the separate reports to fully understand the details of data, discussion and analysis. The studies and relevant discussions in these reports are fully in line with the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) Recommendation Number 42 on TTFMM published on 27 April 2017 and may serve as useful reference when similar work is carried out in the future.

**Figure:** Relationship of the Trade and Transport Facilitation Monitoring Mechanism Synthesis Report and Five Separate Reports



**BPA 1:** Export of plastic kitchenware and tableware (melamine products) from Bangladesh to Bhutan

**BPA 2:** Import of lentils from Nepal to Bangladesh

**TRS 1:** Burimari land border crossing station, Bangladesh

**TRS 2:** Banglabandha land border crossing station, Bangladesh

**CPMM:** Burimari–Dhaka and Banglabandha–Dhaka corridors

BPA = business process analysis, CPMM = corridor performance measurement and monitoring, TRS = time release study, TTFMM = trade and transport facilitation monitoring mechanism.

Source: Prepared by the study team.

# BACKGROUND AND INTRODUCTION

This chapter provides background information on the baseline study. It reviews the importance of trade facilitation at the global, regional, and national level. Key initiatives and efforts made by Bangladesh in advancing trade facilitation are highlighted. This chapter discusses the importance of measuring and monitoring trade facilitation and introduces key functions and features of Trade and Transport Facilitation Monitoring Mechanism (TTFMM).

## 1.1 Importance of Trade Facilitation

The importance of trade facilitation has been widely discussed and recognized at the global, regional, and national levels. The Trade Facilitation Agreement (TFA), accomplished at the ninth World Trade Organization (WTO) Ministerial Conference in December 2013, is the first major global trade agreement to have been concluded since the establishment of WTO in 1995. The agreement provides evidence of a global consensus on the importance of trade facilitation for sustainable economic development as well as a narrow but concrete framework through which countries may simplify and enhance the transparency of their trade procedures.

The importance of trade facilitation needs to be interpreted in the context of Sustainable Development Goals (SDGs) of the *2030 Agenda for Sustainable Development* adopted by world leaders in September 2015 at a historic UN Summit.<sup>1</sup> In particular, the SDG 17.11 states that countries should “Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020”. Trade facilitation is key to achieving this goal, as evidenced by the WTO research that implementation of the WTO Trade Facilitation Agreement—narrow trade facilitation—has the potential to increase global merchandise exports by up to \$1 trillion per annum.<sup>2</sup> Similarly, a study carried out by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) shows that implementation of cross-border paperless trade measures is expected to increase export potential of Asia and Pacific countries by over \$300 billion.

A WTO report reveals that improving trade facilitation can give a more powerful boost to exports of developing countries because they have high trade costs, a large part of which are due to lack of trade facilitation. Delays at customs and cumbersome procedures are far more frequently encountered in developing countries and least developed countries. The report also highlights that trade facilitation often leads to increased FDI in small economies, increased government revenues, and reduced customs fraud and corruption.<sup>3</sup>

<sup>1</sup> United Nations. Sustainable Development Knowledge Platform. <https://sustainabledevelopment.un.org/post2015/transformingourworld>

<sup>2</sup> WTO (2015a).

<sup>3</sup> WTO (2015b).

At the Asia and Pacific regional level, adoption of an important United Nations treaty entitled *The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific*—which opened for signature on 1 October 2016 at the United Nations Headquarters in New York—shows the commitment of the countries to advance trade facilitation and paperless trade.<sup>4</sup>

The South Asia Subregional Economic Cooperation (SASEC) program fully recognizes the important role of trade facilitation for regional integration by stating that “[t]he benefits of creating fast and efficient transport infrastructure networks to move goods, people, and business around South Asia will never be fully realized unless these developments are supported by simultaneous improvements in trade procedures and facilities.<sup>5</sup> Intra-regional trade in South Asia could rise by as much as 60%, and the region’s trade with the rest of the world could grow by 30% if trade facilitation systems could be raised to international standards, according to studies.” In this respect, the Motor Vehicles Agreement signed by Bangladesh, Bhutan, India, and Nepal (or BBIN) shows strong commitment by the participating countries in moving trade and transport facilitation forward.

## 1.2 Important Measures and Initiatives on Trade Facilitation in Bangladesh

Important measures have been taken in Bangladesh to advance trade facilitation. The most recent and important is Bangladesh’s ratification of the WTO TFA on 27 September 2016 which aims to expedite the movement, release and clearance of goods, including goods in transit.<sup>6</sup>

The Bangladesh Trade Portal was launched in March 2016, with the support from the World Bank Group, to facilitate the business community at home and abroad with a one-stop point of information on the country’s export and importable items. The Bangladesh National Board of Revenue (NBR) is implementing the NBR Modernization Plan 2011–2016 to develop a sound tax policy and law in line with international best practices and to incorporate the latest (information and communication) technology for better compliance in all its land, sea, and air ports. The board (NBR) is also implementing the Customs Modernization Strategic Action Plan 2014–2017 to promote a transparent, effective, robust, and accountable organizational structure and system that delivers business outcomes in line with international best practices and national socioeconomic and cultural environment. It is also intent on developing and implementing a whole-of-organization Risk Management Framework that drives a philosophy of a risk-based, intelligence-led approach and of adopting a needs-based, modern, and secure information and communication technology system. NBR has also developed a proposed revision of the current customs framework law—the Customs Act, 1969—to provide an appropriate legal basis for a modernized customs administration. The revision will take the form of a new law (draft titled the Customs Act, 2015) to replace the current regime.<sup>7</sup>

<sup>4</sup> United Nations. United Nations Treaties Collection.

<sup>5</sup> ADB (2013).

<sup>6</sup> WTO (2016a).

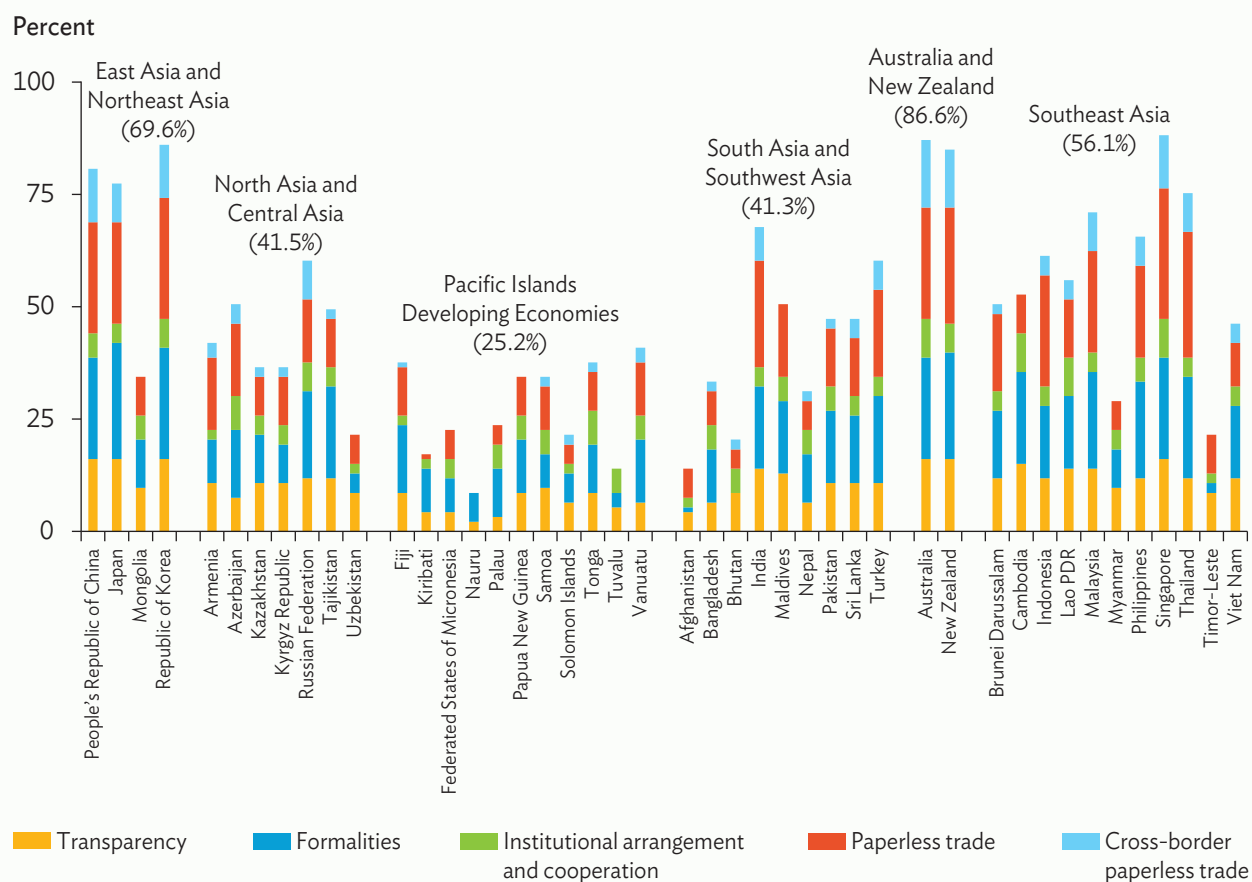
<sup>7</sup> Dewan and Shafiquzzaman (2017).



From a more systematic perspective in terms of implementing trade facilitation and paperless measures in the Asia and Pacific region, a recent survey conducted by UNESCAP and other regional commissions reveals that the average level of trade facilitation implementation by the 44 Asia and Pacific economies, based on a set of 31 trade facilitation and paperless trade measures, is 46.5%.<sup>8</sup> Within the Asia and Pacific region there is great variation in trade facilitation implementation rates. Australia, the Republic of Korea, and Singapore have obtained scores in excess of 85%, while other countries have yet to achieve 15% implementation levels.

The survey also shows the level of implementation of trade facilitation measures in Bangladesh at 36%.<sup>9</sup> Among the five core groups of trade facilitation measures, the most implemented in Bangladesh are “institutional arrangement and cooperation” measures (55.6%). The least implemented are “crossborder paperless trade” measures (11.1%).

**Figure 1.1: Overall Implementation of Trade Facilitation Measures in 44 Asia and Pacific Economies, 2015**



Lao PDR = Lao People's Democratic Republic.

Source: UNESCAP (2016a).

<sup>8</sup> UNESCAP (2016a).

<sup>9</sup> UNESCAP (2016b).

### 1.3 High Trade Costs Remain a Major Challenge for South Asia, Including Bangladesh

Countries in South Asia, including Bangladesh, often face high trade costs. According to the latest data from the UNESCAP–World Bank International Trade Cost Database (Table 1.1), the intraregional trade costs of Bangladesh, Bhutan, and Nepal amount to 186% tariff equivalent, which is the highest among the selected countries in other subregions in Asia and the Pacific.

The overall cost of trading goods among the three largest European Union economies is equivalent to a 43% average tariff on the value of goods traded. The People's Republic of China, the Republic of Korea, and Japan (East Asia–3) come closest to matching the low intra-European Union trade costs, with average trade costs among themselves amounting to a 51% tariff equivalent, followed by the middle-income members of the Association of Southeast Asian Nations, whose intraregional trade costs stand at 76% tariff equivalent.

**Table 1.1: Intraregional and Extraregional Comprehensive Trade Costs in the Asia and Pacific Region (Excluding Tariff Costs), 2008–2013 (%)**

Region	ASEAN-4	East Asia-3	North and Central Asia-3 + PRC	Pacific Islands-2	SASEC-3	AUS-NZL	EU-3
ASEAN-4	76 (7.7)	75 (5.0)	362 (16.3)	172 (-10.1)	273 (3.6)	101 (3.7)	106 (-1.0)
East Asia-3	75 (5.0)	51 (-3.4)	197 (-1.1)	175 (-3.4)	228 (-0.7)	88 (-4.7)	85 (-3.0)
North Asia and Central Asia-3 + PRC	362 (16.3)	197 (-1.1)	122 (2.3)	165 (-6.9)	355 (-7.7)	290 (-6.7)	146 (-7.4)
Pacific Islands-2	172 (-10.1)	175 (-3.4)	165 (-6.9)	132 (-9.8)	440 (11.9)	83 (-8.0)	209 (-4.1)
SASEC-3	273 (3.6)	228 (-0.7)	355 (-7.7)	440 (11.9)	186 (5.9)	317 (10.1)	242 (7.1)
AUS-NZL	101 (3.7)	88 (-4.7)	290 (-6.7)	83 (-8.0)	317 (10.1)	52 (-4.0)	108 (-1.1)
EU-3	106 (-1.0)	85 (-3.0)	146 (-7.4)	209 (-4.1)	242 (7.1)	108 (-1.1)	43 (-4.9)
United States	86 (9.8)	63 (0.2)	179 (7.3)	163 (-5.6)	229 (6.9)	100 (3.6)	67 (0.7)

ASEAN = Association of Southeast Asian Nations, AUS = Australia, EU = European Union, NZL = New Zealand, PRC = People's Republic of China, SASEC = South Asia Subregional Economic Cooperation.

Notes: Trade costs may be interpreted as tariff equivalents. Percentage changes in trade costs between 2003–2008 and 2009–2014 are given in parentheses. ASEAN-4: Indonesia, Malaysia, the Philippines, and Thailand; East Asia-3: the People's Republic of China (PRC), Japan, and the Republic of Korea; North Asia and Central Asia-3 + the PRC: Georgia, Kazakhstan, the Kyrgyz Republic, and the PRC; Pacific Islands-2: Fiji and Papua New Guinea; SASEC-3: Bangladesh, Bhutan, and Nepal; AUS-NZL: Australia and New Zealand; EU-3: Germany, France, and the United Kingdom.

Source: UNESCAP–World Bank Trade Cost Database (June 2015 update).

Reduction of trade costs is essential for enabling economies to participate effectively in regional and global value chains as well as continue to use trade as the main engine for growth and sustainable development. Recent studies suggest that much of the trade cost reductions achieved during the past decade have been through the elimination or lowering of tariffs.<sup>10</sup> Therefore, further trade cost reductions will have to come from not only tackling nontariff sources of trade costs, such as inefficient transport and logistics infrastructure and services, but also cumbersome regulatory procedures and documentation requirements. Indeed, trade facilitation i.e., the simplification and harmonization of import, export, and transit procedures that include paperless trade (the use and exchange of electronic data and documents to support the trade transaction process) has taken on increasing importance.

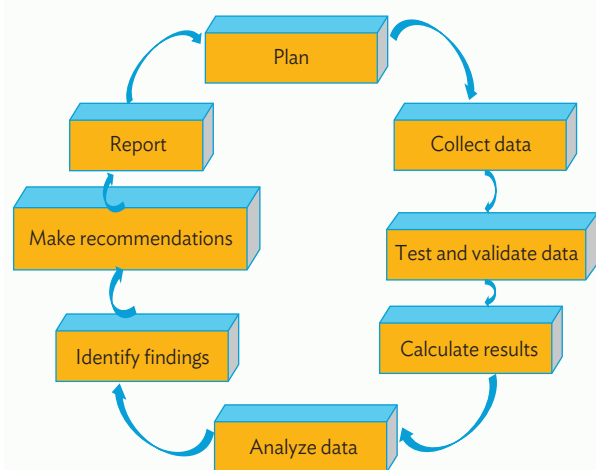
## 1.4 Importance of Monitoring and Measuring Trade Facilitation Performance

Implementation of trade facilitation measures should be regarded as a means to an end, rather than an end itself. In other words, any executive body of trade facilitation reform should have particular target(s) in mind before implementing trade facilitation measure(s) and ensure that the targets are effectively achieved.

Measuring and monitoring trade facilitation performance is essential to reviewing whether the targets are effectively met. The importance of measuring and monitoring trade facilitation performance is specifically emphasized in the SASEC Trade Facilitation Strategy 2014–2018. It states that “[t]he concrete action plans to be developed to implement the strategic thrusts would need to have clear and measurable goals and a set of indicators to monitor progress and gauge outcomes... Baseline studies on outcome indicators will be conducted and appropriate targets determined for a consistent and regular monitoring and assessment of results.” It also highlights the importance of an integrated approach for measuring trade and transport facilitation and states that “[a]n integrated transport and trade facilitation methodology that will link the time release survey, time/cost–distance survey, and the Business Process Analysis (BPA) would also be developed.”

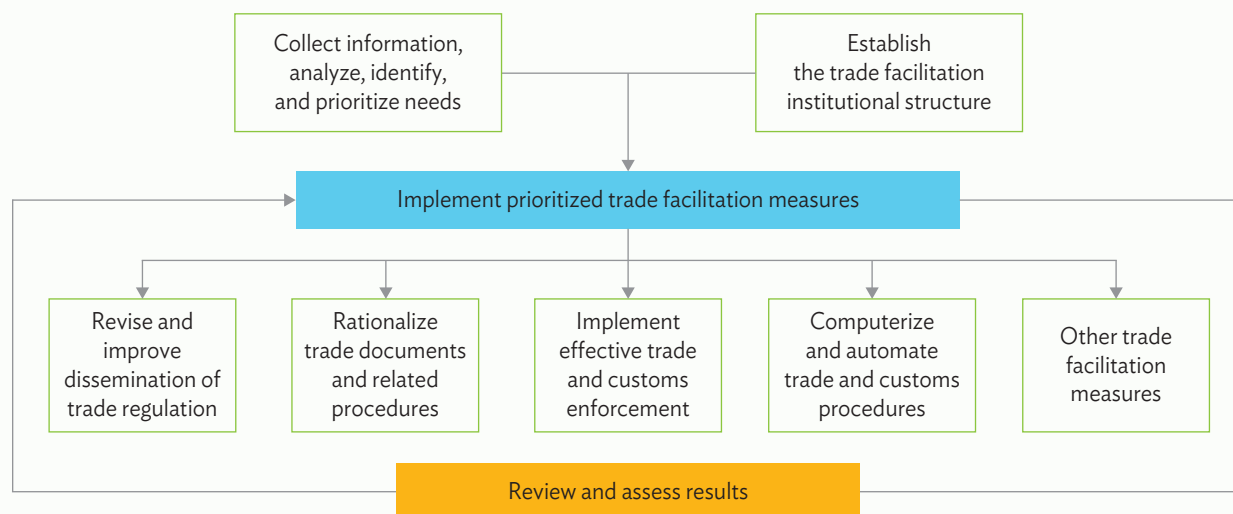
A number of international organizations emphasize the importance of measuring and monitoring trade facilitation performance. For instance, the World Customs Organization proposes that data needs to be collected to review and refine action plans related to trade facilitation (Figure 1.2). Similarly, ADB and UNESCAP prescribe a similar approach on policy reform and performance measurement and monitoring (Figure 1.3).

**Figure 1.2: Enhancing Trade Facilitation and Performance Monitoring**



Source: Derived from World Customs Organization (2011).

<sup>10</sup> For example, see UNESCAP (2011).

**Figure 1.3: Step-by-Step Trade Facilitation: A Framework for Action**

Source: ADB and UNESCAP (2013).

Many countries in the world—recognizing the strengths and weaknesses of international indicators—have taken actions to collect more detailed information on trade and transport facilitation to support policy making. In the case of Bangladesh, a preliminary study carried out in 2012–2013 on Business Process Analysis for selected products provides a solid basis for more systematic studies.<sup>11</sup>

## 1.5 Key Functions and Features of Trade and Transport Facilitation Monitoring Mechanism

The guide on TTFMM was initially developed by UNESCAP and ADB in consultation with national governments and experts to address the pressing need for the countries in the Asia and Pacific region to establish their own sustainable mechanism for monitoring the effectiveness of trade and transport facilitation reforms and measures and identifying solutions to streamline and optimize the trade and transport process.

Many countries around the world, including those in Asia and the Pacific, have made efforts to facilitate trade and transport. Few, however, have established sustainable mechanisms to monitor the effectiveness of policies and procedures that facilitate trade and speed up international supply and value chains. Several global trade facilitation performance surveys and databases are now available and very useful as benchmarking and awareness-raising tools. However, they do not provide sufficiently detailed information to develop or update national trade facilitation action plans. Trade and transport facilitation assessments have also been conducted in some countries. In many cases these are typically ad hoc, with little coordination among development partners, and limited support from relevant government agencies.

<sup>11</sup> UNESCAP (2014).

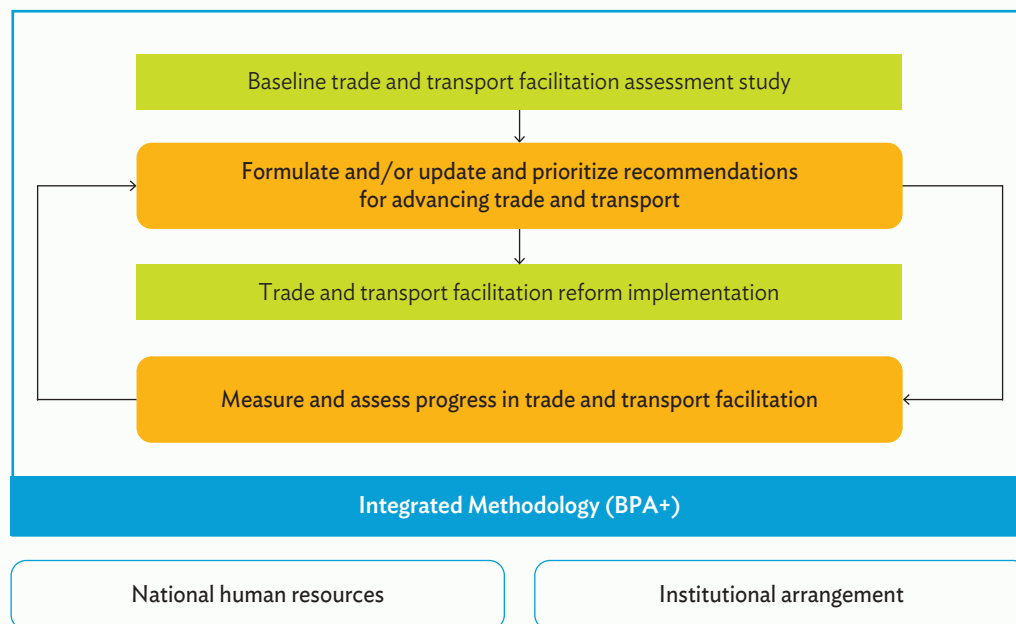
There is, therefore, a need for countries to establish sustainable national trade and transport facilitation mechanisms to measure and assess progress in trade and transport facilitation and assist in formulating, updating, and prioritizing recommendations for trade and transport facilitation.<sup>12</sup>

TTFMM has two interrelated functions: (i) to measure and assess progress in trade and transport facilitation; and (ii) to assist in formulating, updating, and prioritizing recommendations for trade and transport facilitation. More specifically, adoption of the TTFMM will bring the following benefits:

- streamlined trade and transport procedures, improved trade efficiency, and enhanced trade competitiveness;
- reliable, systematic, consistent, and harmonized data available for policy making and modernization;
- cost-effective and sustainable monitoring of trade and transport facilitation; and
- enhanced national human capacity for trade and transport facilitation.

The TTFMM framework underlying the baseline study in Bangladesh is outlined in Figure 1.4. It is important that TTFMM be anchored within a national trade and transport facilitation committee (or an equivalent institution) and that it can rely upon national resources to make it sustainable and affordable.

**Figure 1.4: The Trade and Transport Facilitation Monitoring Mechanism Framework Underlying the Baseline Study in Bangladesh**



BPA+ = Business Process Analysis Plus.

Source: UNESCAP-ADB (2014).

<sup>12</sup> Detailed discussion on TTFMM is available at <http://www.unescap.org/resources/towards-national-integrated-and-sustainable-trade-and-transport-facilitation-monitoring>. More recently, a project was launched to develop a UN/CEFACT recommendation on TTFMM (<http://www.unece.org/tradewelcome/un-centre-for-trade-facilitation-and-e-business-uncefact/projects/current-projects.html>).

Underpinning TTFMM is the methodology called Business Process Analysis Plus (BPA+), which is built on the Business Process Analysis methodology, supplemented by Time Release Studies (TRS) and Time/Cost-Distance (TCD) methodologies.

## 1.6 Objective of the Study

The baseline study in Bangladesh was conducted as a part of a broad initiative to establish sustainable TTFMM in the country in the long term. The country baseline study is part of a TTFMM project under the SASEC program in helping three member countries—Bangladesh, Bhutan, and Nepal—develop effective monitoring systems of their respective trade and transport facilitation reforms and measures, with the aim of better identifying solutions to streamline and optimize trade and transport processes.

The TTFMM baseline study aims to

- (i) explain the rationale for establishing TTFMM and key methodology for data collection and analysis;
- (ii) provide a set of indicators and underlying data on trade and transport facilitation performance in Bangladesh. Such baseline data will ensure that the progress or setbacks in trade facilitation performance in the country can be benchmarked;
- (iii) diagnose key bottlenecks and make recommendations for removing bottlenecks by simplifying trade procedures. In this respect, the study provides policy recommendations to policy makers and stakeholders; and
- (iv) propose a way forward to maintain the sustainability of TTFMM. Sustainability is at the core of the design of TTFMM. In this respect, this report provides specific recommendations on how to maintain sustainability of TTFMM including institutional arrangement, data collection and analysis, and the best use of the study output.

## 1.7 Structure of the Report and the Rationale

The key factors for consideration in deciding the structure of this report include the needs for the study report to

- (i) not only inform the stakeholders of the current status of trade and transport facilitation but also explain the rationale and background of TTFMM so the report can be used as a reference document in future preparation of similar TTFMM studies, and
- (ii) be structured so it would be useful for different audiences. For instance, the current report is more targeted toward policy makers and the general public while the technical details of the study are placed in five supporting reports.

This chapter provides detailed information on the importance of trade facilitation at global, regional, and national levels. It reviews the key initiatives and efforts made by Bangladesh in advancing trade facilitation. It highlights the importance of measuring and monitoring trade facilitation and touches on the rationale for conducting a national TTFMM.

Chapter 2 provides an overview of key principles for deciding the scope monitoring. It reports the process of selecting specific products and corridors for monitoring as the framework of TTFMM baseline study in Bangladesh.

Chapter 3 introduces the key methodology adopted for the TTFMM baseline study, namely, BPA+ which builds upon the UNNExT Business Process Analysis<sup>13</sup> and is supplemented by TRS and TCD/CPMM methods. Chapter 3 also contains information on data collection and validation.

Chapter 4 reports the key indicators which reflect “as-is” trade and transport facilitation performance for the selected products and corridors. The chapter also reports on the identified bottlenecks and singles out the recommendations for removing bottlenecks.

Chapter 5 reviews the most important aspects of establishing TTFMM in the country including institutional arrangement, national capacity building, resources, continuation and expansion of monitoring and alignment of TTFMM with global and regional initiatives.

Chapter 6 concludes the report.

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<sup>13</sup> UNNExT, UNESCAP, and UNECE (2012).

# SCOPE OF THE TRADE AND TRANSPORT FACILITATION MONITORING MECHANISM BASELINE STUDY IN BANGLADESH

An essential and initial step, in conducting the Trade and Transport Facilitation Monitoring Mechanism (TTFMM) baseline study, is to define the scope of monitoring. In principle, the scope of monitoring should be decided by each country according to its specific situation; two different countries may have different priorities for the monitoring. For instance, a landlocked country may be keen to monitor the procedures at land border posts while an island country is concerned about the performance at ports and shipping connectivity. This chapter introduces key factors for consideration in defining the scope of monitoring and reviews the process of defining scope of monitoring under TTFMM baseline study in Bangladesh.

## 2.1 Factors for Consideration in Defining the Scope of Monitoring

In defining the scope of monitoring for the TTFMM baseline study in Bangladesh, the following factors are taken into consideration.<sup>14</sup>

### 2.1.1 General Principle for Defining Scope of Monitoring

In defining the scope of monitoring, the Specific, Measureable, Achievable, Relevant, and Time-bound (SMART) principle should be adopted whenever appropriate.

*Specific:* The areas for monitoring need to be clear and unambiguous

*Measureable:* Quantitative indicators should be collected and monitored

*Achievable:* A country needs to review its resources and capacity for the monitoring exercise. If monitoring is carried out for the first time, the country may be focused on a small number of some strategically important procedures, products, or trade routes. Over time, with the enhanced national capacity and experiences, more products and trade routes can be included for monitoring.

*Relevant:* The areas of monitoring need to be strategically important and relevant for the country.

*Time-bound:* The time frame and target dates for the monitoring exercises need to be clear to all stakeholders.

<sup>14</sup> These factors are in line with the UN/CEFACT recommendation 42 on TTFMM. [https://www.unece.org/fileadmin/DAM/cefact/recommendations/rec42/ECE\\_TRADE\\_C\\_CEFAC2017\\_8E\\_R1\\_Rec42.pdf](https://www.unece.org/fileadmin/DAM/cefact/recommendations/rec42/ECE_TRADE_C_CEFAC2017_8E_R1_Rec42.pdf)

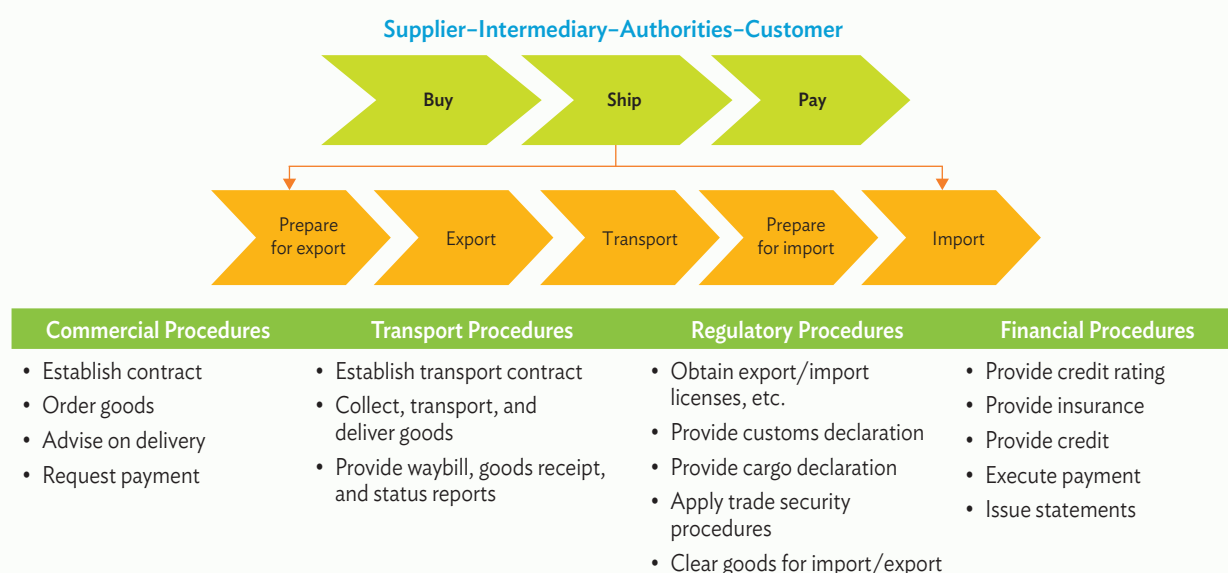


The country may consider process, products, or trade routes and corridors in defining the scope of monitoring, as elaborated in sections 2.1.2 through 2.1.4.

### 2.1.2 Selection of Process or Procedures for Monitoring

The countries, whenever appropriate, should consider adopting a whole-of-supply-chain approach for defining the scope the monitoring. In this respect, the Buy–Ship–Pay model, as shown in Figure 2.1, provides a useful framework for the monitoring exercises. In some cases the scope could be confined to selected process(es) of Buy–Ship–Pay model according to the priority of the country.

**Figure 2.1: Buy–Ship–Pay Model**



Note: The United Nations Centre for Trade Facilitation and Electronic Business recommendation 18 illustrates a simplified view of the international supply chain in the Buy–Ship–Pay model. It identifies the key commercial, logistical, regulatory and payment procedures in the international supply chain, and provides an overview of the information exchanged between the parties throughout its steps.

Source: United Nations Economic Commission for Europe (UNECE) (2001).

### 2.1.3 Selection of Products for Monitoring

In selecting the products for monitoring, at least one of the following factors should be taken into consideration whenever possible:

- The products should be strategically important for the country or the areas,
- The products should be relevant and important for small and medium-sized enterprises and particularly for the agriculture sector,
- The products should have great contribution to employment creation,
- The product should have high frequency of shipments,

- The product should have high economic value to the country,
- The trade process of the product should include common (or many) bottlenecks/high number of agencies/inefficient procedures, and
- The product should be relevant in terms of well-being and social cohesion of citizens.

### 2.1.4 Selection of Trade Routes and Corridors for Monitoring

Trade routes and corridors under assessment should be primarily decided by the products selected for assessments or by their economic impacts. In the case of products that are transported along different corridors, priority should be given to the corridors which are most frequently used or strategically important for the country or the region. In this respect, consultation with the private sector may greatly help in identifying such corridors.

## 2.2 Process of Selecting the Scope of Monitoring in Bangladesh and Final Selection

The scope of the baseline studies of TTFMM was decided through a series of regional and national training workshops held in Bangkok, Thailand in November 2013; in Dhaka, Bangladesh in April 2014; Wuhan, People's Republic of China in October 2015; and in Bangkok, Thailand in January 2016. A wide range of stakeholders were consulted in this process, as shown in Appendix 1. After extensive exercise and discussion with the relevant stakeholders, it was agreed that the TTFMM baseline study in Bangladesh would cover the following processes, products, and trade routes and corridors:

- (i) Export of plastic kitchenware and tableware from Bangladesh to Bhutan through Dhaka–Rangpur–Burimari–Changrabandha–Jaigaon–Phuentsholing–Thimphu; and
- (ii) Import of lentils from Nepal to Bangladesh through Kathmandu–Kakarvitta–Fulbari–Banglabandha–Dhaka.

More specifically, it was decided that the Business Process Analysis (BPA) would cover all the abovementioned products and corridors, Time Release Study (TRS) would cover border crossings at Burimari and Banglabandha LCS and Time/Cost–Distance (TCD)/Corridor Performance Measurement and Monitoring (CPMM) would cover the corridors from Dhaka to Burimari and from Banglabandha to Dhaka.

Both corridors covered by the study are strategically important for the region. Burimari–Rangpur–Dhaka is part of Thimphu–Phuentsholing–Jaigaon–Changrabandha–Burimari–Dhaka (SAARC Corridor 8) corridor linking Bangladesh with Bhutan via India. Kathmandu–Kakarvitta–Fulbari–Banglabandha–Dhaka (SAARC Road Corridor 4) corridor links Nepal with Bangladesh via India.


# METHODOLOGY FOR DATA COLLECTION AND ANALYSIS

This chapter introduces the key methodology for data collection and analysis called Business Process Analysis Plus (BPA+) which underlies the TTFMM baseline study in Bangladesh. It also reports the detailed process and efforts for data collection and validation.

## 3.1 Business Process Analysis Plus as the Underlying Methodology

As illustrated in Figure 1.4, BPA+ was identified to be the key methodology for data collection and analysis for the TTFMM baseline study in Bangladesh.<sup>15</sup> The BPA+ approach is built upon the BPA and supplemented by other methods such as time release studies (TRS) and time/cost-distance (TCD)/corridor performance measurement and monitoring (CPMM) as shown in Figure 3.1.

**Figure 3.1: Business Process Analysis Plus as the Underlying Methodology**

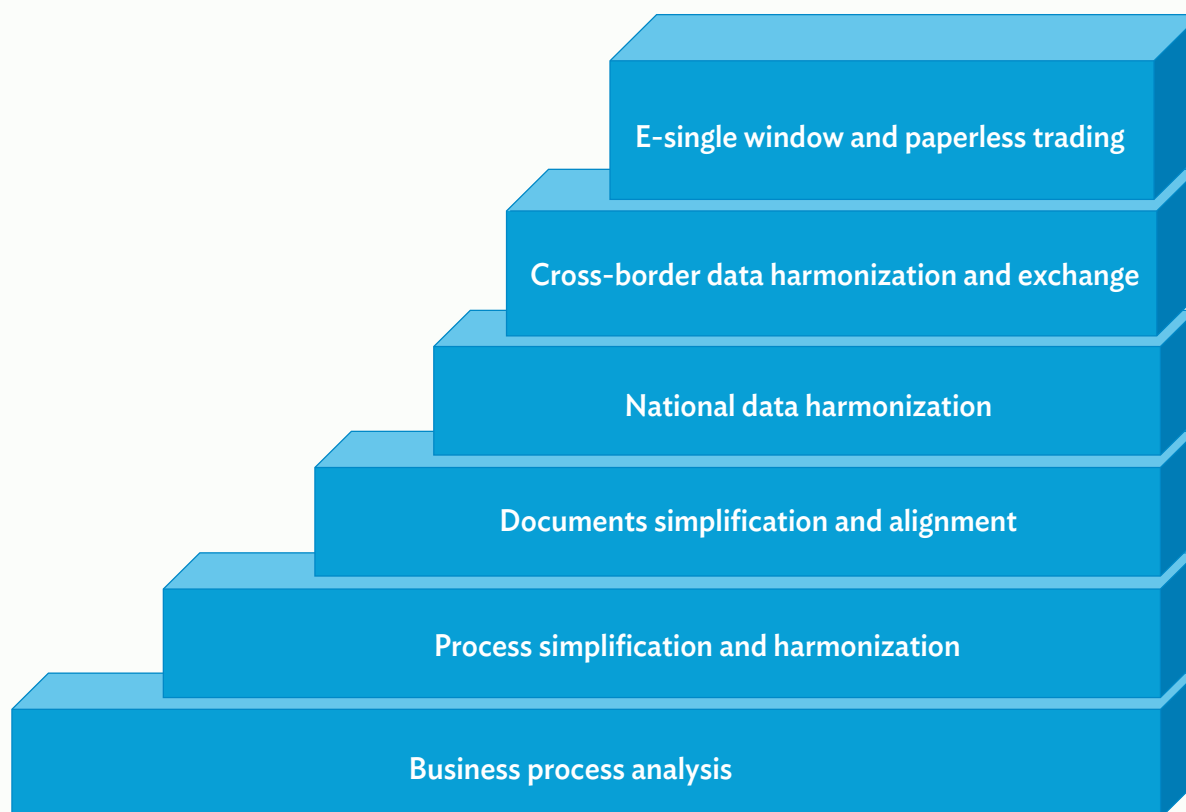
Trade-related procedures before cargo movement	Cargo origin		Border crossing point		Border crossing point		Cargo destination	Trade-related procedures after cargo arrival
			TRS		TRS			
	TCD/CPMM							
BPA								

BPA = business process analysis, CPMM = corridor performance measurement and monitoring, TCD = time/cost-distance, TRS = Time Release Study.  
Source: UNESCAP-ADB (2014).

According to UN/CEFACT (Figure 3.2), BPA is recommended as the first step before undertaking other trade facilitation measures related to the simplification, harmonization, and automation of trade procedures and documents.<sup>16</sup>

<sup>15</sup> Source: Discussion of BPA+ is derived from an UNESCAP-ADB publication, *Towards a National Integrated and Sustainable Trade and Transport Facilitation Monitoring Mechanism: BPA+*.

<sup>16</sup> UNECE (2006).

**Figure 3.2: A Step-By-Step Approach to Implementing Trade Facilitation Measures**

Source: UNECE (2006).

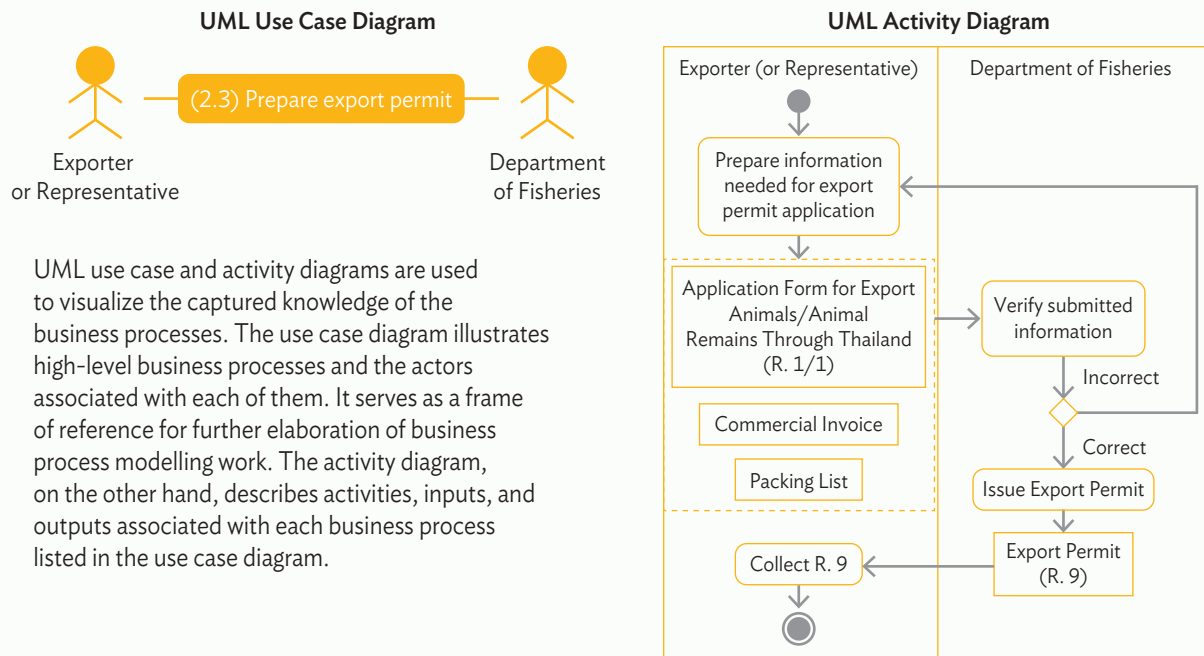
One of the key features of the UNNExT Business Process Analysis Guide to Simplify Trade Procedures is the introduction of the Unified Modelling Language (UML) as a standard way to graphically represent the various procedures involved in the trade process (Figure 3.3). Use of this common standard is essential to providing a systematic description and common language of a procedure that can be understood by all stakeholders involved in international trade transactions, both domestic and foreign.

Developed and promoted by the World Customs Organization (WCO), TRS is used to measure the average time taken between the arrival of the goods and their release. The outcome of TRS enables customs to identify both the problem areas and potential corrective actions for increasing efficiency. Measuring the time taken for the release of goods also meets the concerns of trade circles regarding long delays in customs clearance. Application of TRS in the baseline study follows the guidelines prescribed by the WCO.<sup>17</sup>

Developed by UNESCAP, the TCD method assists decision makers in understanding the pattern and magnitude of time and cost of transportation process and identifying, isolating, and addressing physical and nonphysical obstacles.<sup>18</sup>

<sup>17</sup> World Customs Organization. Time Release Study. <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/time-release-study.aspx> (accessed 15 May 2017).

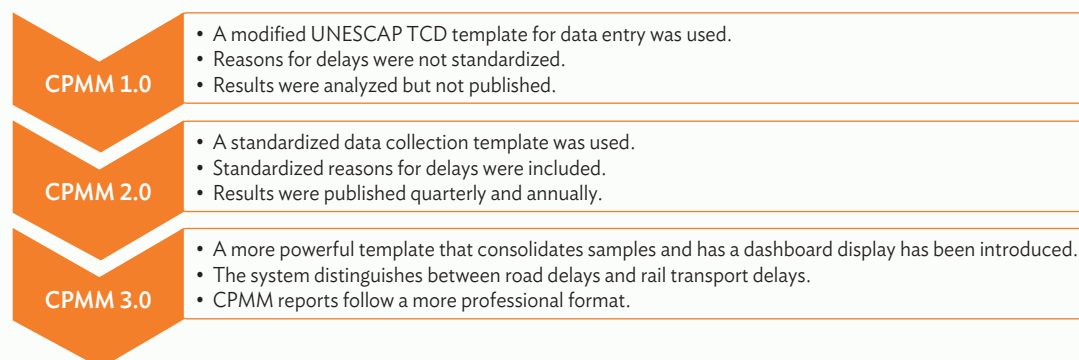
<sup>18</sup> More information is available at UNESCAP (2012).

**Figure 3.3: Examples of Use Case and Activity Diagrams**

UML = unified modelling language.

Source: UNNExT, UNESCAP, and UNECE (2012).

TCD was further refined by ADB and evolved to be the so-called CPMM method, as shown in Figure 3.4.<sup>19</sup> As CPMM has been widely used in Central Asia, it is adopted by the current TTFMM baseline study. In the meantime, the graphic representation of time–distance chart recommended by TCD is also adopted in this report.

**Figure 3.4: Evolution of Corridor Performance Measurement and Monitoring**

CPMM = corridor performance measurement and monitoring, TCD = time/cost–distance, UNESCAP = United Nations Economic and Social Commission for Asia and the Pacific.

Source: ADB (2014).

<sup>19</sup> Detailed discussion is available at ADB (2014).

BPA+ draws on the strengths of BPA, TRS, and TCD/CPMM. BPA was initially designed to document and evaluate an import/export process at a given point time. Its relative simplicity, combined with the fact that it specifically includes measuring the time and cost of the complete range of procedures as one of the main outputs of the analysis, makes it suitable as the basis/core of a trade facilitation monitoring and improvement system.

TCD/CPMM and TRS focus on a subset of procedures covered by BPA and provide alternative data collection methods, and therefore can be used to verify and supplement the data and outputs from the standard BPA. BPA data are typically based on key informant interviews verified through stakeholder consultation(s), while TCD/CPMM is often based on the accumulation of quantitative information provided by transport operators/drivers moving a single shipment along a selected route, and TRS is based on data collection forms filled by customs officers, customs brokers, or electronic time stamps when available for a sample of shipments/customs declarations.

BPA provides not only indicators but also a “standard” way of analyzing trade procedures, identifying bottlenecks, and diagnosing trade barriers. The latter is achieved mainly by adopting UML. CPMM and TRS mainly provide indicators and leave detailed analysis to the project team. Another difference: analysis of BPA is product-specific, while CPMM and TRS often cover various products.

### 3.2 Data Collection and Validation Process for the Trade and Transport Facilitation Monitoring Mechanism Baseline Study

The time frame for implementing TTFMM baseline study in Bangladesh was approximately 14 months and is shown in Table 3.1. The key activities are highlighted below.

**Table 3.1: Time Frame for Implementing Trade and Transport Facilitation Monitoring Mechanism Baseline Study**

	2015			2016											
	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Subregional meeting to plan the baseline study in Wuhan, People's Republic of China															
Workshop to finalize the plan of the baseline study in Bangkok, Thailand															
Data collection on BPA															
Data collection on TRS															
Data collection on TCD/CPMM															
TTFMM database, analysis and draft report															
National results validation meeting															
Refine TTFMM data and analysis, and finalize study report															

BPA = business process analysis, CPMM = corridor performance measurement and monitoring, TCD = time/cost-distance, TRS = Time Release Study, TTFMM = trade and transport facilitation monitoring mechanism.

Note: Shaded area in a row indicates the month a particular task is undertaken.

Source: Prepared by the project team.

## **Workshops to Plan the Baseline Study in Wuhan, People's Republic of China and Bangkok, Thailand**

A subregional meeting in October 2015 in Wuhan, PRC to plan the baseline study and discuss the next steps was attended by national consultants and government officials from Bangladesh, Bhutan, and Nepal, and experts from ADB and UNESCAP.

Another study planning workshop—during which methodologies for BPA, TRS, and TCD/CPMM were discussed in detail—was held in Bangkok on 13–15 January 2016. Present at the workshop were national consultants of the project, government officers and logistics operators from Bangladesh, Bhutan, and Nepal. A draft questionnaire used for TRS and CPMM was distributed and comprehensively discussed at the workshop, which was instrumental for the actual study.

### **Data Collection on Business Process Analysis**

ADB conducted data collection on selected BPA during October 2015–March 2016 and interviewed key stakeholders located in Dhaka, Rangpur, Burimari, and Banglabandha. Following the UNNExT's BPA methodology, information on import and export processes was collected, through repeated interviews of a number of key informants: exporters, importers, and intermediaries including public and private sector institutional participants directly involved in the processes being analyzed. Whenever required, there were also interviews and consultations with relevant government agencies. Websites of different organizations were also studied to collect published information related to specific procedural requirements, including documents, time and costs and related laws and regulations.

### **Data Collection on Time Release Study**

The ADB national consultant for trade facilitation and customs visited Rangpur and Customs Excise and VAT commissionerate, Banglabandha LCS and Burimari LCS from 23 to 27 December 2015 and sensitized the key customs officials and clearing agents on the TRS through discussion of the study tools and the process flow of the import and export transaction. The study procedures were also explained to the participants in detail, including the questionnaires, and how to complete them during the actual survey. The TRS questionnaires were prepared in English following the WCO's *Guide to Measure the Time Required for the Release of Goods*, Version 2 and the methodology used by the WCO and the International Finance Corporation (member of the World Bank group) in conducting Chittagong and Benapole TRS.

These TRS questionnaires were later translated in the local language Bangla in consultation with the key customs officials, clearing and forwarding agents, and transport operators. Pilot testing of the TRS questionnaires were done with support from those officials extensively briefed about the data collection. TRS data collection for the Burimari LCS was conducted from 13 to 22 February 2016. Initially, TRS data collection at the Banglabandha LCS was planned from 10 March to 15 March 2016. However, due to the very low volume of export and import through the Banglabandha LCS during the study period, data collection at this border crossing point was implemented from 10 March to 25 May 2016.

## **Data Collection on Time/Cost–Distance/Corridor Performance Measurement and Monitoring**

A data collection form was designed based on the ADB CPMM approach and was also translated into the local language for better understanding of the transport operators. Indeed, as the sample is much smaller than that in Central Asia, the data collection is a simplification of the version used in Central Asia. Data collection from the field was carried out during March–April 2016.

## **National Results Validation Meeting and Follow-up Activities**

A national validation workshop was organized by the Bangladesh National Board of Revenue (NBR), in collaboration with ADB and UNESCAP from 31 July to 1 August 2016 in Dhaka, Bangladesh and attended by representatives from relevant government departments and private sector agencies.

The project study team presented preliminary study findings and results to stakeholders. The project team considered comments from the workshop in their decision to revise the report. Approximately one month after the meeting, the study team shared the revised reports with the NBR and meeting participants and incorporated further feedback for revision.



# KEY FINDINGS AND POLICY RECOMMENDATIONS

This chapter reports key findings on key indicators related to trade and transport facilitation for the products, for border-crossing points and along the corridors studied. It is a synthesis report based on studies on export of plastic kitchenware and tableware from Bangladesh to Bhutan, import of lentils from Nepal to Bangladesh, time release studies (TRS) at the Burimari and Banglabandha land border crossings, and corridor performance measurement and monitoring (CPMM) studies along Burimari–Dhaka and Banglabandha–Dhaka trade corridors. This chapter also reports the key bottlenecks for trade and transport facilitation and presents recommendations for removing such bottlenecks.

## 4.1 Burimari–Rangpur–Dhaka Corridor

This section is divided into two subsections: section 4.1.1 reports key indicators related to the corridor, while section 4.1.2 provides analysis on diagnosis of bottlenecks along the corridors and recommendations to remove the bottlenecks.

### 4.1.1 Key Indicators

The key indicators included for analysis comprise *time for export, costs for export, number of procedures for export, number of actors, number of documents for export, and average speed along the corridor*.

#### 4.1.1.1 Time for Export

Results from the BPA analysis, as shown in Figure 4.1, reveal that in a typical case, it takes the existing trader 14 days to export plastic kitchenware and tableware from Bangladesh to Bhutan through Burimari. New traders need an additional 18 days to fulfill general documentary requirements. It normally takes 1–2 days to complete a procedure, and no particular procedure takes much longer than other procedures.

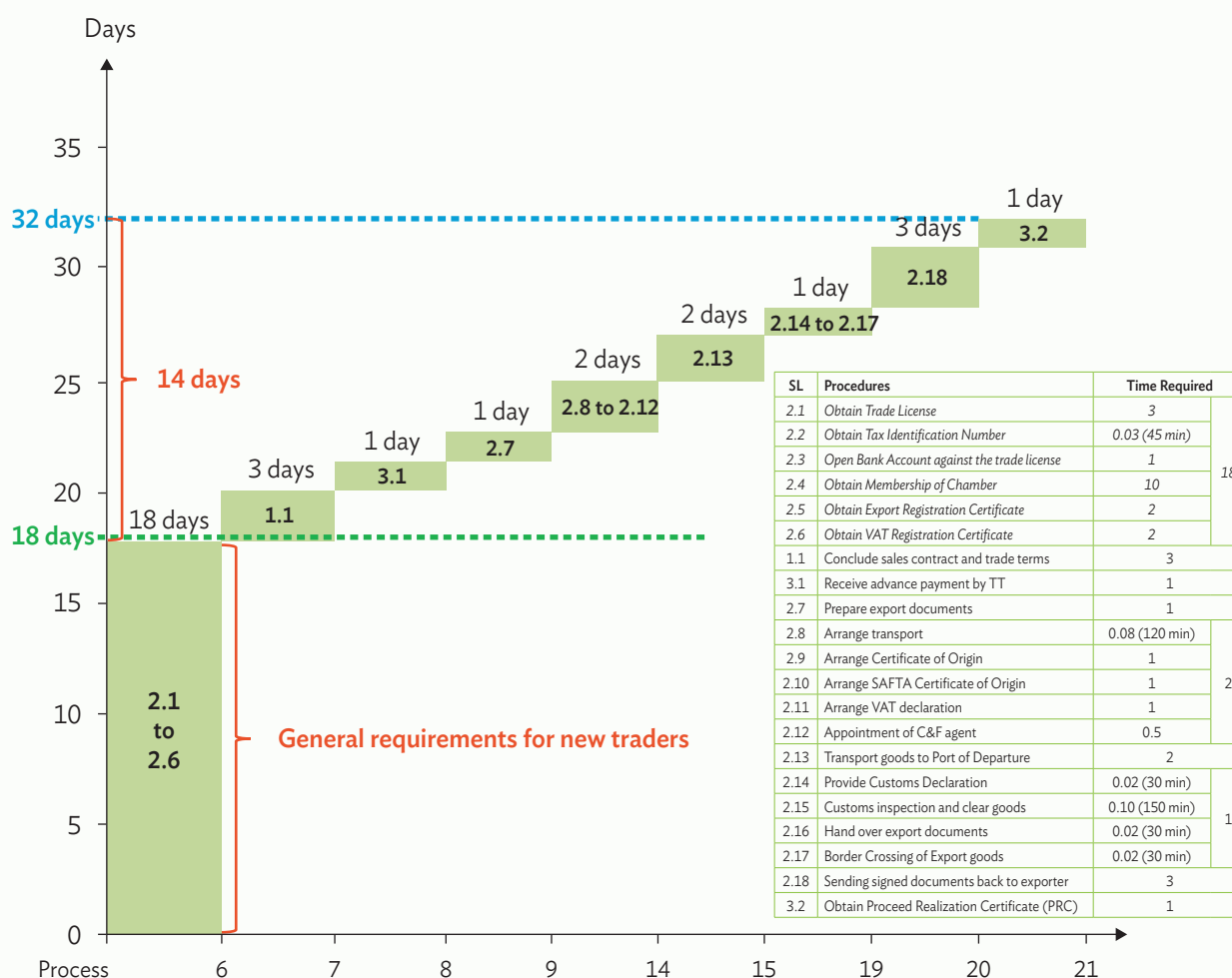
**Table 4.1: Transport Time through Dhaka–Burimari Corridor**

Indicators	Mean	Max	Min
Total distance (kilometer)	455	465	445
Total travel hours with delay	29.97	36	16.25
Total stops	8	11	6
Total stoppage hours	11.15	17.50	2.05
Total travel hours without delay	18.82	23	13.60

Source: Prepared by the project team.

Results from the CPMM analysis (Table 4.1) shows that it takes approximately 30 hours (including 19 hours travel time and 11 hours stoppage time) to transport cargoes through this 455 km corridor.

**Figure 4.1: Time-Procedure Chart for Export of Plastic Kitchenware and Tableware to Bhutan through Burimari Land Port**



C&F = clearing and forwarding agent, min = minutes, SAFTA = South Asian Free Trade Area, TT = telegraphic transfer, VAT = value-added tax.

Note: The time required for completing general requirements of obtaining license/membership and certificates for conducting export business in Bangladesh is on average 18 days. After completion of general requirements, the time required for exporting plastic kitchenware and tableware from Bangladesh to Bhutan is on average 14 days.

Source: Prepared by the project team.

Results from TRS (Table 4.2) show the average time taken for release of all types of export cargo amounts to approximately 2 hours 14 minutes, which includes 1 hour 14 minutes for customs procedures, and 31 minutes for port authority clearance procedures.

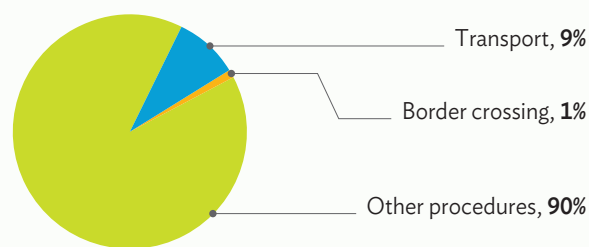
**Table 4.2: Results from Time Release Studies for Export at Burimari**

Indicators	Duration
Average time taken for release of all types of export cargo, which includes, among others:	2 hours 14 minutes
■ Customs procedures	1 hours 14 minutes
■ Port Authority clearance procedures	0 hours 31 minutes

Source: Prepared by the project team.

A synthesis analysis of time required for completing different procedures has important policy implications. As shown in Figure 4.2, transport and border-crossing processes account for 9% and 1% of the total trade time, respectively. This shows the importance of optimization and simplification of trade process from a whole-supply-chain perspective. Certainly it is always important to improve transport and border crossing process, but these two factors only accounted for approximately 10% of the total trade process.

**Figure 4.2: Time Required for Completing Different Procedures**



Source: Prepared by the project team.

Furthermore, it is important to note that discussion here is based on the assumption that the traders have obtained all the necessary licenses and permits to carry out business. Otherwise, the total trade time would be longer and the total percentage of transport and border crossing time would be further reduced. This finding reveals that policy makers and other stakeholders need to pay great attention to other procedures as well in order to reduce total trade time.

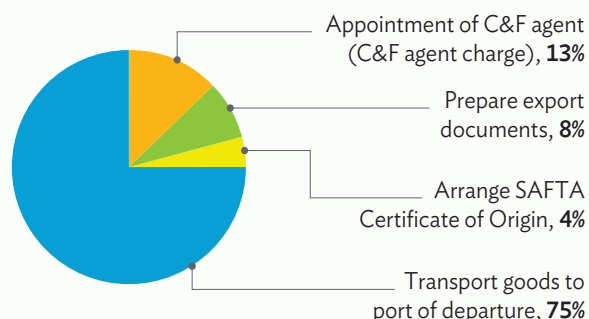
#### 4.1.1.2 Costs for Export

Results from the BPA (Table 4.3) show that, in a typical case, costs for exporting plastic kitchenware and tableware from Bangladesh to Bhutan through Burimari LCS are approximately Tk23,998 (\$307.67), which does not include the costs of approximately Tk41,650 (\$533.97), for completing onetime procedures for a new trader.

Taking all procedures (including onetime procedures for the new traders) into consideration, the most costly procedures include: *obtain membership in local business association/chamber* (approximately \$370, or 44% of the total costs); *transport* (approximately \$231, or 27% of the total costs); and *obtain Export Registration Certificate (ERC)* (approximately \$118, or 14% of the total costs). These three procedures in total account for 85% of the trade costs.

When the onetime procedures are excluded from analysis, Figure 4.3 shows the most expensive trade procedures include: *transport goods to port of departure* (approximately \$231, or 75% of the total trade cost); followed by the *appointment of C&F agent* (C&F agent charge) (approximately \$38 or 13% of the total costs); *prepare export documents* (approximately \$26, or 8%); and *arrange SAFTA Certificate of Origin* (approximately \$12 or 4% of the total costs).

**Figure 4.3: Costs of the Trade Procedures Excluding Onetime Procedures**



C&F = clearing and forwarding, SAFTA = South Asian Free Trade Area.

Source: Prepared by the project team.

Results from the CPMM show that the average official costs incurred along the Burimari–Dhaka corridor amounts to approximately \$82. The costs mainly include tollway charges and other official charges along the way but exclude fuel cost and driver's salary.

**Table 4.3: Costs Involved in the Export of Plastic Kitchenware and Tableware from Bangladesh to Bhutan**

SN	Procedures	Cost (Tk)	Cost (\$)
<b>1</b>	<b>Buy</b>		
1.1	Conclude sales contract and trade terms	0	0.00
<b>2</b>	<b>Ship</b>		<b>0.00</b>
2.1	Obtain Trade License	3,600	46.15
2.2	Obtain Tax Identification Number	0	0.00
2.3	Open bank account against the trade license	0	0.00
2.4	Obtain membership in local business association/chamber	28,850	369.87
2.5	Obtain Export Registration Certificate	9,200	117.95
2.6	Obtain VAT Registration Certificate	0	0.00
2.7	Prepare export documents	2,000	25.64
2.8	Arrange transport	0	0.00
2.9	Arrange Certificate of Origin (CO)	75	0.96
2.10	Arrange South Asian Free Trade Area (SAFTA) CO	923	11.83
2.11	Arrange VAT declaration	0	0.00
2.12	Appointment of C&F agent (C&F agent charge)	3,000	38.46
2.13	Transport goods to port of departure	18,000	230.77
2.14	Provide customs declaration	0	0.00
2.15	Customs inspection and clear goods (export is duty free, however, need to pay C&F VAT and AIT and port charges—included in C&F agent charge)	0	0.00
2.16	Handover export documents to representative of Bhutanese importer	0	0.00
2.17	Border crossing of export goods	0	0.00
2.18	Sending signed documents back to exporter (borne by C&F agent)	0	0.00
<b>3</b>	<b>Pay</b>		<b>0.00</b>
3.1	Receive advance payment by Telegraphic Transfer	0	0.00
3.2	Obtain Proceed Realization Certificate	0	0.00
	<b>Total</b>	<b>65,648 (23,998)</b>	<b>841.64 (307.67)</b>

AIT = advance income tax, C&F = clearing and forwarding, SN = serial number, Tk = Taka, VAT = value-added tax.

Notes:

1. Exchange rate: \$1 = Tk78.
2. Procedures 2.1 to 2.6 are general requirements of any exporter doing export business in Bangladesh and need only be done once; some license/membership and certificates need renewing every year with applicable renewal fees due.
3. All other export costs are estimated as cost of exporting one truck of plastic kitchenware and tableware from Bangladesh to Bhutan.
4. Excluding the cost of general requirement of license/membership and certificates for conducting export business in Bangladesh, the cost of exporting one truck of plastic kitchenware and tableware from Bangladesh to Bhutan is estimated as \$307.67 (see figure in parentheses).

Source: Prepared by the project team.

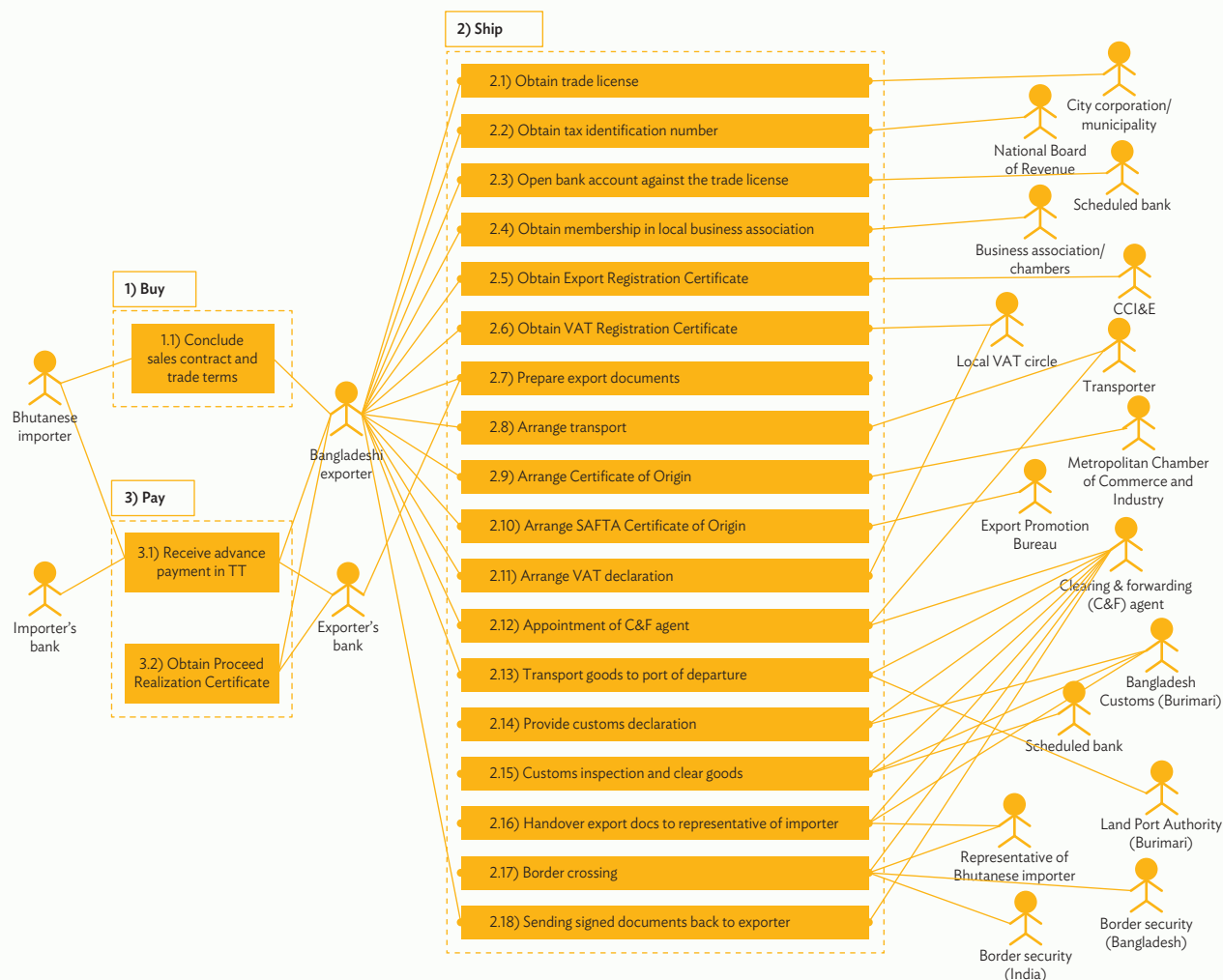
#### 4.1.1.3 Number of Procedures for Export

As shown in Figure 4.1, an existing exporter has to complete 15 distinct procedures for exporting plastic kitchenware and tableware from Bangladesh to Bhutan through Burimari LCS. Furthermore, additional 6 onetime procedures are required for a new trader. In other words, a new trader needs to go through 21 procedures to complete export process.

#### 4.1.1.4 Number of Actors

As shown in Figure 4.4, there are, in total, 20 actors involved in exporting plastic kitchenware and tableware from Bangladesh to Bhutan.

**Figure 4.4: Use Case Diagram of Exporting Plastic Kitchenware and Tableware from Bangladesh to Bhutan**



CCI&E = Chief Controller of Imports & Exports, SAFTA = South Asian Free Trade Area, TT = telegraphic transfer, VAT = value-added tax.

Source: Prepared by the project team.

#### 4.1.1.5 Number of Documents for Export

An existing trader is required to fill out 11 documents to complete the export process. However, these documents need to be submitted repeatedly—a total of 93 times. For a new trader who has to complete all onetime procedures, 20 documents are required to complete the export process and these documents need to be submitted 117 times. The details of the documents for export process are shown in Tables 4.4 and 4.5.

**Table 4.4: Documents Required for Export of Plastic Kitchenware and Tableware from Bangladesh to Bhutan**

SN	Procedures	Documents Required	Detailed List of Documents
<b>1</b>	<b>Buy</b>		
1.1	Conclude sales contract and trade terms	2	Quotation, Purchase Order/Indent
<b>2</b>	<b>Ship</b>		
2.1	Obtain Trade License	2	Filled Application Form, National ID, Ownership/Lease Document
2.2	Obtain Tax Identification Number (TIN)	1	National ID
2.3	Open Bank Account against the trade license	4	Filled Application Form, National ID, Trade License, TIN Certificate, Copy of Nominee's National ID, Nominee's photo
2.4	Obtain Membership in local business Association/Chamber	4	Filled Application Form, National ID, Trade License, TIN Certificate, Business Name Card, Bank Certificate, Attached Photograph
2.5	Obtain Export Registration Certificate (ERC)	5	Filled Application Form, National ID, Trade License, TIN Certificate, Bank Certificate, Attached Photograph, Local business Association/Chamber Membership Certificate
2.6	Obtain value-added tax (VAT) Registration Certificate	6	Filled Application Form, National ID, Trade License, TIN Certificate, Ownership/Lease Document, Bank Certificate, Attached Photograph, Export Registration Certificate (ERC)
2.7	Prepare export documents	3	Pro forma Invoice, Commercial Invoice, Copy of TT/LC
2.8	Arrange Transport	1	Packing and Weight List
2.9	Arrange Certificate of Origin (CO)	4	Filled CO Form, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt
2.10	Arrange South Asian Free Trade Area (SAFTA) Certificate of Origin	8	Filled SAFTA CO Form, Certificate of Origin (CO), Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt, EXP Form, cost breakdown, Undertaking from the Exporter
2.11	Arrange value-added tax (VAT) declaration	5	Pro forma Invoice, Commercial Invoice, Packing and Weight List, Copy of EXP Form, Copy of TT
2.12	Appointment of C&F Agent	1	Pro forma Invoice
2.13	Transport goods to Port of Departure	11	Bill of Export, ERC, TT Copy, CO Certificate, SAFTA CO, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt, Copy of EXP Form, VAT Certificate
2.14	Provide Customs Declaration	11	Bill of Export, ERC, TT Copy, CO Certificate, SAFTA CO, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt, Copy of EXP Form, VAT Certificate
2.15	Customs Inspection and Clear Goods	11	Bill of Export, ERC, TT Copy, CO Certificate, SAFTA CO, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt, Copy of EXP Form, VAT Certificate
2.16	Handover Export Documents to Representative of Bhutanese Importer	12	Bill of Export, ERC, TT Copy, CO Certificate, SAFTA CO, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt, Copy of EXP Form, VAT Certificate, Gate Pass
2.17	Border Crossing of Export goods	12	Bill of Export, ERC, TT Copy, CO Certificate, SAFTA CO, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt, Copy of EXP Form, VAT Certificate, Gate Pass
2.18	Sending Signed Documents back to Exporter	6	Bill of Export, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt, Original EXP Form
<b>3</b>	<b>Pay</b>		
3.1	Receive Advance Payment by TT	2	Application for TT, Pro forma Invoice, Copy of ERC
3.2	Obtain Proceed Realization Certificate (PRC)	6	Bill of Export, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt, Original EXP Form

C&F = clearing and forwarding, EXP = export, LC = letter of credit, SN = serial number, TT = telegraphic transfer.

Source: Prepared by the project team.

**Table 4.5: Submitting Export Documents: Manually or Electronically**

SN	Procedures	Manual Submission	Submission by Electronic Means
<b>1</b>	<b>Buy</b>		
1.1	Conclude sales contract and trade terms	✓	✓
<b>2</b>	<b>Ship</b>		
2.1	Obtain Trade License	✓	
2.2	Obtain Tax Identification Number	✓	✓
2.3	Open Bank Account against the trade license	✓	
2.4	Obtain Membership in local business Association/Chamber	✓	
2.5	Obtain Export Registration Certificate	✓	
2.6	Obtain value-added tax (VAT) Registration Certificate	✓	
2.7	Prepare export documents	✓	
2.8	Arrange Transport	✓	✓
2.9	Arrange Certificate of Origin (CO)	✓	
2.10	Arrange South Asian Free Trade Area (SAFTA) CO	✓	
2.11	Arrange VAT declaration	✓	
2.12	Appointment of C&F Agent	✓	✓
2.13	Transport goods to Port of Departure		
2.14	Provide Customs Declaration		✓
2.15	Customs Inspection and Clear Goods	✓	
2.16	Handover Export Documents to Representative of Bhutanese Importer	✓	
2.17	Border Crossing of Export Goods	✓	
2.18	Sending Signed Documents Back to Exporter	✓	
<b>3</b>	<b>Pay</b>		
3.1	Receive Advance Payment by Telegraphic Transfer		✓
3.2	Obtain Proceed Realization Certificate	✓	

C&F = clearing and forwarding, SN = serial number.

Source: Prepared by the project team.

#### 4.1.1.6 Average Speed along the Burimari–Dhaka Corridor

Average speed with delays and without delays along the Burimari–Dhaka corridor amounts to 15 km/h and 24 km/h, respectively. The former is calculated when the total journey time is taken into consideration while in the case of the latter, the stoppage time is excluded from the total journey time.

**Table 4.6: Speed and Time along Burimari–Dhaka Corridor**

Indicators	Mean	Max	Min
Total distance (km)	455	465	445
Total travel hours with delay	29.97	36	16.25
Total stops	8	11	6
Total stoppage hours	11.15	17.50	2.05
Total travel hours without delay	18.82	23	13.60
Speed with delay (km/h)	15.18	26.38	12.64
Speed without delay (km/h)	24.18	33.46	19.78

h = hour, km = kilometer.

Source: Prepared by the project team.



### 4.1.2 Diagnosis and Recommendations

Analysis of key procedures and detailed recommendations according to BPA is shown in Table 4.7. Analysis of the bottlenecks is mainly based on the classification of procedural requirements, data and documentary requirements, transparency/predictability. Recommendations according to the analysis of bottlenecks are provided accordingly.

Notwithstanding the difference of bottlenecks and recommendations associated with specific procedures, some bottlenecks are prominent. For instance, documents need to be submitted manually and repeatedly, which may cause delays, especially when there are errors for filling in the documents. Common solutions to remove bottlenecks include automation, single windows, online applications, reduction of number of documents to be submitted to each agency, data harmonization, and simplification of procedures.

**Table 4.7: Export of Plastic Kitchenware and Tableware from Bangladesh to Bhutan by Burimari: Diagnosis and Recommendations According to Business Process Analysis**

SN	Core Business Process (use case)	Observations			Recommendations
		Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	
1	Buy				
2	Ship				
2.1	Obtain Trade License	For obtaining Trade License, exporter has to apply using prescribed 'Application Form (Form-K)' to the concerned local authority; with required documents and applicable fees (based on the nature of business entity—for export fee is Tk3000+15% value-added tax (VAT)+ Tk150 for book). Concerned local authority visits the spot and verifies the applicant's information and existence of the business entity. If all provided information found correct, concerned local authority issues 'Trade License' to the importer.  Note: Trade license needs to be renewed every year by depositing applicable renewal fees.	Along with filled prescribed application form, it requires 3 copies of photo, a copy each of national ID, and ownership/lease documents. All documents need to be certified by authorized person.	Transparency and predictability of this activity varies from one Local Government Authority to another. While some central and big city corporations laid down the application requirements, fees and application forms are available in their websites; other smaller municipalities do not have such facility and manage the process manually leaving more opportunity of corruption and rent seeking by the implementing/granting officials.	Implement online application, approval, issuance, and renewal of Trade License. The electronic application and issuance process followed in e-Tax Identification Number (e-TIN) registration system can be replicated here.  Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for Trade License should be provided.  Allow online submission of necessary documents and electronic transfer of required fees.  Harmonize data/document requirements across different license/permit/certificate application forms in order to remove multiple submission of identical data/documents.  These will reduce documentary requirements, application time and cost, and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.

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Table 4.7: Continued

SN	Core Business Process (use case)	Observations			
		Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	Recommendations
2.2	Obtain TIN	In obtaining TIN certificate, exporter has to apply online with required information and receives the e-TIN certificate online at no cost.	Exporter has to have National Identity Card and a mobile phone number.	This activity is fully transparent and predictable.	Existing online application, approval, and issuance of certificate which could be replicated in other license/certificate/permit requirements.
2.4	Obtain membership in local business association/chamber	For obtaining membership in local business association/chamber, exporter has to apply using prescribed application form to local business association/chamber. The membership application must be proposed by a member and seconded by another, of the membership class to which the applicant wants to be admitted.  Note: Membership needs to be renewed every year by depositing applicable renewal fees.	This activity require submission of filled Application Form along with a copy each of the applicant's photo, Trade License, TIN Certificate, Bank Certificate, Business Name Card of the Exporter, and National Identity Card duly certified by authorized person.	The procedure is quite transparent; however, varies across different associations/chambers. Transparency and predictability of this activity could be improved by introducing electronic procedures.	Online application, approval, issuance, and renewal of membership may be considered.  Allow online submission of necessary documents and electronic transfer of required fees.  Harmonize data/document requirements across different license/permit/certificate application forms in order to remove multiple submission of identical data/documents.  These will reduce documentary requirements, application time, and cost and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.  Application fee may be reduced.
2.5	Obtain Export Registration Certificate (ERC)	For obtaining ERC, exporter has to apply using prescribed Application Form to the Office of the Chief Controller of Imports & Exports (CCI&E) with required supporting documents and initial Registration fees (Tk8,000/+ 15% VAT). Upon verification of provided information CCI&E issues the ERC.  Note: ERC needs to be renewed every year by depositing applicable renewal fees.	This activity requires submission of filled Application Form along with Trade License, TIN Certificate, Bank Certificate, National Identity Card, and Membership Certificate from local chamber duly certified by authorized person.	This activity is fairly transparent as the procedural and cost requirements are published in the website of the CCI&E. However, the transparency and predictability of this process can be much improved by introducing electronic application, approval, issuance, and renewal of ERC.	Implement online application, approval, issuance, and renewal of ERC. The electronic application and issuance process followed in e-TIN registration system can be replicated here.  Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for ERC should be provided.  Allow online submission of necessary documents and electronic transfer of required fees.  Harmonize data/document requirements across different license/permit/certificate application forms in order to remove multiple submission of identical data/documents.  These will reduce documentary requirements, application time and cost, and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.

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Table 4.7: Continued

SN	Core Business Process (use case)	Observations			Recommendations
		Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	
2.6	Obtain VAT registration certificate	For obtaining VAT registration certificate, exporter has to apply using prescribed application form (Mushak-6) to the concerned local VAT circle with required supporting documents. Upon verification of provided information, concerned local VAT authority issues the VAT registration certificate. Concerned VAT authority performs post verification about applicant's information and existence of the business entity.	This activity requires submission of filled application form (Mushak-6) along with two copies of applicant's photo, a copy each of national ID, TIN, ownership/lease documents, ERC, and bank certificate duly certified by authorized person.	This activity seems transparent as the procedural requirements are well known. However, the transparency and predictability of this process can be much improved by introducing electronic application, approval, and issuance of VAT registration certificate.	<p>Implement online application, approval, and issuance of VAT registration certificate. The electronic application and issuance process followed in e-TIN registration system can be easily replicated here.</p> <p>Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for VAT registration certificate should be provided.</p> <p>Allow online submission of necessary documents and electronic transfer of required fees.</p> <p>Harmonize data/document requirements across different license/permit/certificate application forms in order to remove multiple submission of identical data/documents.</p> <p>These will reduce documentary requirements, application time and cost, and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.</p>
2.9	Arrange Country of Origin Certificate	For obtaining Country of Origin Certificate, exporter has to apply to Metropolitan Chamber of Commerce & Industry by submitting prescribed application form along with supporting documents.	This process of generating the Country of Origin Certificate requires exporter to submit Certificate of Origin application form along with copies of Pro forma Invoice, Commercial Invoice, Packing and Weight List, and Truck Receipt.	These procedural requirements and procedures are published and well known to the exporters. However, introduction of electronic application, approval, and issuance of Certificate of Origin would increase the efficiency to a great deal.	<p>Implement electronic Country of Origin Certification. Implement online application, approval, and issuance of Certificate of Origin.</p> <p>Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for Certificate of Origin should be provided.</p> <p>Allow online submission of necessary documents and electronic transfer of required fees.</p> <p>Harmonize data/document requirements across different license/permit/certificate application forms in order to remove multiple submission of identical data/documents.</p> <p>This will reduce documentary requirements, application time and cost, and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.</p>

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Table 4.7: Continued

SN	Core Business Process (use case)	Observations			
		Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	Recommendations
2.10	Arrange South Asian Free Trade Area (SAFTA) Certificate of Origin	Obtaining SAFTA Certificate of Origin requires exporter to apply to Export Promotion Bureau (EPB) by submitting prescribed application form along with supporting documents.	This process generating the SAFTA Certificate of Origin requires exporter to submit SAFTA Country of Origin application form along with copies of Country of Origin, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Truck Receipt, Export Form, cost breakdown of export product, and undertaking in company pad by the EPB authorized signatory from the exporting company.	This activity is fairly transparent and the procedural requirements are published. However, introduction of electronic application, approval, and issuance of SAFTA Certificate of Origin would increase the efficiency to a great deal.	<p>Implement electronic SAFTA Country of Origin Certification. Implement online application, approval and issuance of SAFTA Certificate of Origin.</p> <p>Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for SAFTA Certificate of Origin should be provided.</p> <p>Allow online submission of necessary documents and electronic transfer of required fees.</p> <p>Harmonize data/document requirements across different license/permit/certificate application forms in order to remove multiple submission of identical data/documents.</p> <p>This will reduce documentary requirements, application time and cost, and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.</p>
2.11	Arrange VAT declaration	This activity requires Exporter sends documents declare VAT through VAT-11 and VAT 20 forms, which are inspected and verified by local Circle officials and duly endorsed with seal and signature.	This process generates VAT-11 and VAT 20 based on the information of Pro forma Invoice, Commercial Invoice, Packing and Weight List, EXP Form, and TT Copy.	This activity seems transparent as the procedural requirements are published and well known. However, the transparency and predictability of this process can be much improved by introducing electronic application and approval of VAT declaration.	<p>Implement electronic VAT declaration procedures for export.</p> <p>Implement online VAT declaration and approval. Post verification procedures should be introduced for monitoring.</p> <p>This will reduce documentary requirements, declaration time and cost, and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.</p>
2.14	Provide Customs Declaration	This activity requires C&F agent to prepare and submit Bill of Export to Bangladesh customs (Burimari) with all other supporting documents and Customs to verify Bill of Export and all other supporting documents according to the declaration. If submitted, Export Declaration meets Customs requirements, Bangladesh Customs enters all the information in the 'ASYCUDA World' online and issue a Bill of Export number ('C' number).	Providing customs declaration requires submission of filled Bill of Export Form, Export Registration Certificate, Telegraphic Transfer (TT)/letter of credit (LC) copy, Certificate of Origin, SAFTA Certificate of Origin, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt, VAT certificate and EXP Form-15 copies of each of the export documents.	Introducing ASYCUDA World increased the transparency and predictability; however, which is not fully effective as parallel use of the manual system remains.	<p>Install and operationalize a fully paperless system/single window to eliminate the use of hard copy of documents. Such a system would also eliminate the time involved with physically moving documents.</p> <p>Ensure uninterrupted connectivity of ASYCUDA World with the central server to ensure effective use of this online system. It would also help eliminate/minimize the use of manual system presently used in parallel to the online system. It will also eliminate submission of 15 copies of each of all export documents.</p>

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Table 4.7: Continued

SN	Core Business Process (use case)	Observations			Recommendations
		Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	
2.15	Customs Inspection and Clear Goods	Customs Inspection and Clear Goods involve verification of submitted documents and export goods to make sure that the to-be exported cargo is exactly the same as the declared one. Inspection of outward containerized cargo is subject to customs risk assessment.	This step involves reviewing the export documents submitted in the previous step. Toward the end of the process, customs officer has to record the actual quantity exported into customs information system.	There is great deal of information on the NBR website ( <a href="http://www.nbr.gov.bd">http://www.nbr.gov.bd</a> ) and Bangladesh Customs website ( <a href="http://customs.gov.bd">http://customs.gov.bd</a> ); but instructions or guidelines for traders for completing customs formalities both for exports and imports are surprisingly absent. The traders would benefit if such guidelines are developed and posted on the NBR website. Moreover, as already mentioned, much of the clearance work is done manually. These affect the transparency and predictability of this process.	<p>Install and operationalize a fully paperless system/single window to eliminate the use of hard copy of documents. Such a system would eliminate the time involved with physically moving documents from one location to another, reducing total customs release time and cost.</p> <p>Ensure uninterrupted connectivity of ASYCUDA World with the central server to ensure effective use of this online system. It would also help minimize/eliminate the use of manual system presently used in parallel to the online system.</p> <p>Implementation of a trusted trader program as outlined in the Revised Kyoto Convention may be considered as a part of the overall risk management continuum. This would allow traders who meet certain criteria to benefit from simplified procedures such as direct release, prior release, and simplified declaration. It would allow securing full benefit from the Authorized Economic Operator program, which NBR is developing currently.</p> <p>Bangladesh Land Port Authority (BLPA) should consider introducing electronic data sharing with Bangladesh Customs that will reduce the manual movement of hard copies of documents/file. BLPA may also consider improving some infrastructural issues; including improvement of the capacity of the road sector of this land port, building a separate export yard/shed, installing necessary equipment for loading and unloading of import and export cargo to replace present manual operation.</p>
2.16	Handover export documents to representative of Bhutanese importer	This activity involves the handing over of the export documents of the Bhutanese importer representative after customs clearance at the Burimari LCS where the documents are checked by the receiver. The representative also checks the export consignment.	Representative of Bhutanese importer receives Bill of Export and two sets of all export documents.	This activity is fairly transparent; however, it affects the predictability of total export procedure as the movement of Bhutanese importer representative might be restricted at the transit corridor.	The process of representative of Bhutanese importer travelling to Burimari to clear/receive the export consignment may be removed.

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**Table 4.7: Continued**

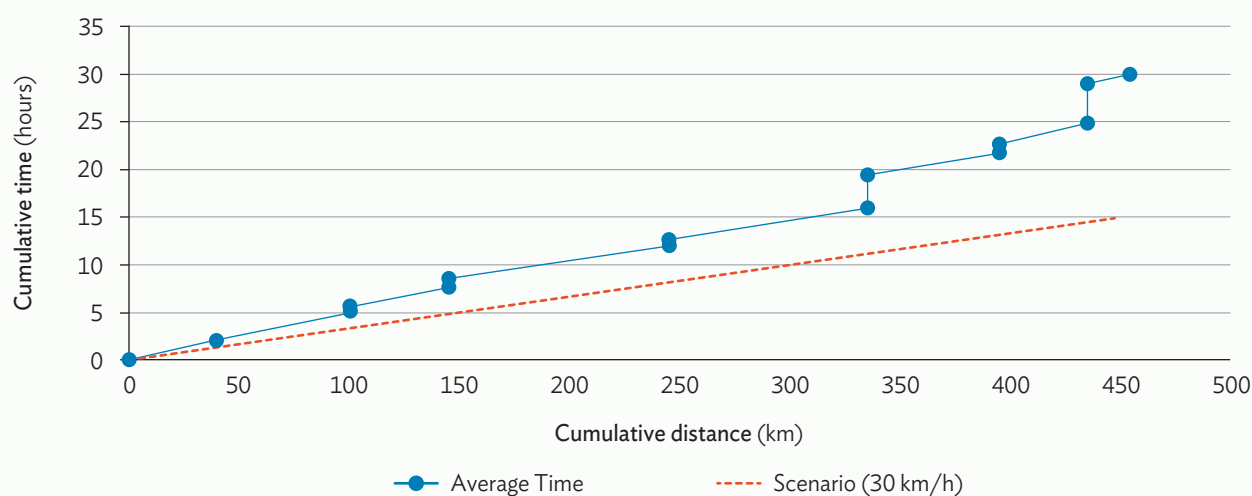
SN	Core Business Process (use case)	Observations			Recommendations
		Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	
2.17	Border crossing of export goods	This process involves crossing of export cargo from Burimari LCS to Indian part of the corridor through 'No-Man's-Land'. Border security (Bangladesh) verifies export documents and examines export consignment where necessary at the zero point of Bangladesh part; whereas, border security (India) verifies documents and consignment at the entry point of India.	This step does not require submission or processing of any documents; however, Bill of Export and two sets of all export documents need to be carried along with the export consignment.		Implementation of a one-stop border post may be considered among the members of Bangladesh, Bhutan, India, and Nepal as suggested by World Trade Organization Trade Facilitation Agreement for effective border agency cooperation.

SN = serial number.

Source: Prepared by the project team.

According to the CPMM analysis, as shown in Figure 4.5, there is significant room for improving the travel speed along the corridor. Under a scenario that vehicle travels at 30 km/h which is not a very high speed, the total journey time, on average, can be reduced from 30 hours to 15 hours, or by 50%.

Major delays occurred for crossing the Jamuna Bridge. Most of the vehicles from Burimari used to carry 25–35 tons of goods. However, it is only permissible to carry 20 tons over the Jamuna Bridge. Hence, the excess goods have to be transferred to a smaller cargo/truck for crossing the bridge. These loading and unloading procedures cause around 3–5 hours delay at this point of the corridor. This also increases a significant portion of official cost of the transport through the route.

**Figure 4.5: Time–Distance along Burimari–Dhaka Corridor**

h = hour, km = kilometer.

Source: Prepared by the project team.

Another major source of delay is the entry barrier to Dhaka. Trucks are only permitted to enter Dhaka during night from 8 p.m. to 8 a.m. in the morning. Therefore, most of the consignments have to wait outside Dhaka for a long time to enter in Dhaka after 8 p.m. It is found that this waiting requirement extends the delay time at other stoppages. It is also reported that the speed of consignment is significantly reduced after passing the Jamuna Bridge mainly because of the narrow road and excessive traffic on the road.

Key recommendations for improving road transport include: upgrading the transport infrastructure from Rangpur to Burimari. Ideally, a single-lane road should be upgraded to at least a double-lane highway. Separate lanes for the slow moving transports need be added. It is important to note that improvement of Joydevpur–Chandra–Tangail–Elenga Road to a four-lane highway has been undertaken under SASEC road connectivity project; its completion would reduce the transport time.

Results from the TRS show that both the import and export processes were efficient at the Burimari border crossing. This may be largely due to the low volume of traffic during the study time period. Nevertheless, one issue for attention is that although ASYCUDA World is introduced in Burimari, lack of uninterrupted internet connectivity undermines its effective operationalization. The issue needs to be addressed, especially if the border-crossing traffic increases, which may put pressure on maintaining high efficiency of border crossings.

There may also be a need to review the internal workflows to further simplify the customs clearance processes and reduce duplication of work by reassessing delegation of responsibilities and repetitive procedures such as the referral of Bills of Export from the Assistant Revenue Officer to the Revenue Officer at each step of the current release and clearance process. Revenue Officers and Assistant Commissioners should perform periodic monitoring by checking a sample of the work for accountability and quality control purposes and focus on the higher end of the risk continuum.

## 4.2 Banglabandha–Rangpur–Dhaka Corridor

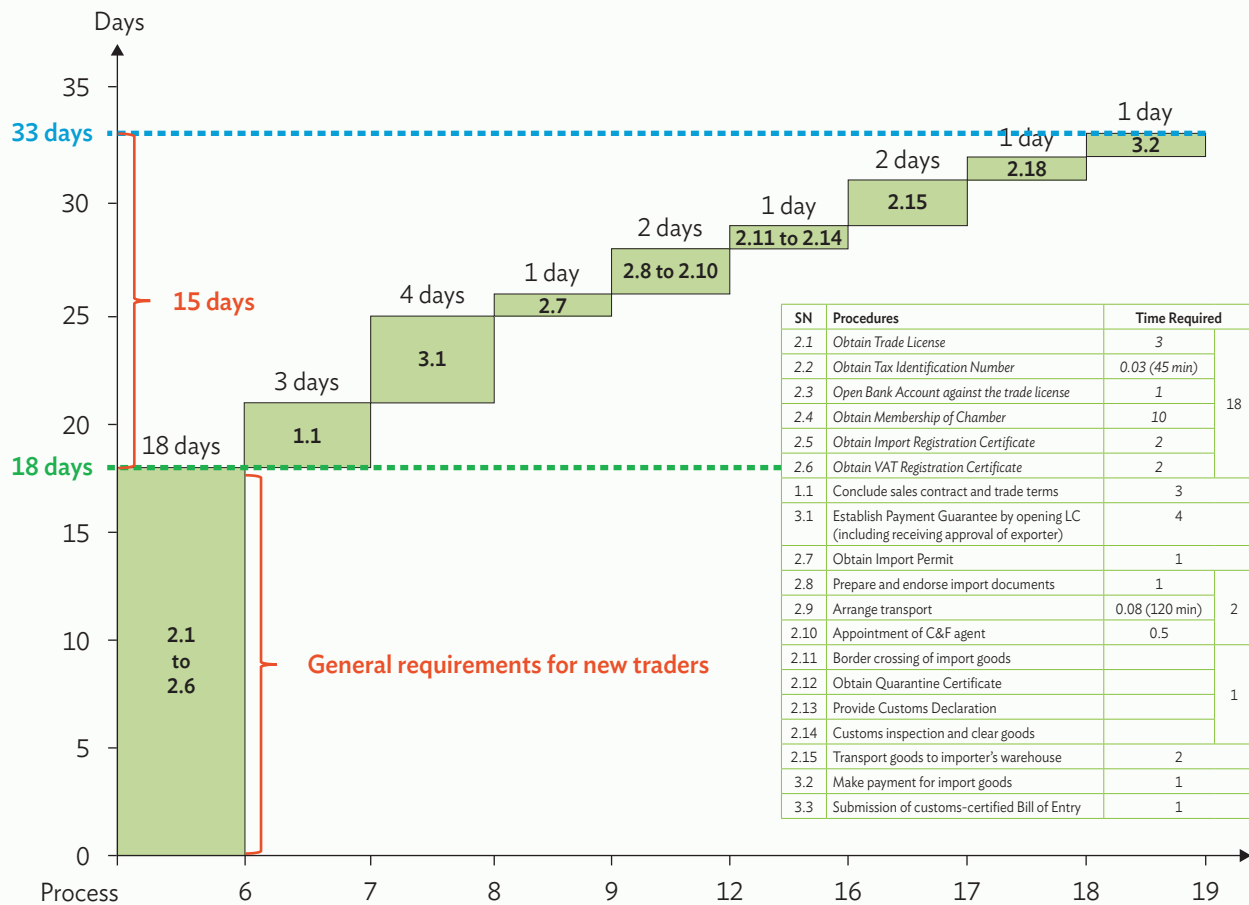
Similar to section 4.1, this section is divided into two subsections: the first section reports key indicators related to the corridor, while the second section provides analysis on diagnosis of bottlenecks along the corridors and recommendations to remove the bottlenecks.

### 4.2.1 Key Indicators

The key indicators included for analysis include *time for export*, *costs for export*, *number of procedures for export*, *number of actors*, *number of documents for export*, and *average speed along the corridor*.

#### 4.2.1.1 Time for Export

Findings from the BPA analysis, as shown in Figure 4.6, reveal that in a typical case, time required for importing lentils from Nepal to Bangladesh through Banglabandha is 15 days. In the case of a new trader, additional 18 days are required to fulfill the general documentary requirement. It takes normally 1 to 2 days to complete a single procedure, and there is no particular procedure that takes much longer than other procedures.

**Figure 4.6: Time-Procedure Chart for Import of Lentils from Nepal to Bangladesh through Banglabandha Land Port**

C&F = clearing and forwarding agent, LC = letter of credit, min. = minutes, SN = serial number.

Notes: The time required for competing general requirements of obtaining license/membership and certificates for conducting import business in Bangladesh averages 18 days. After completion of general requirements, the time required for importing lentils from Nepal to Bangladesh through Banglabandha Land Port averages 15 days (only included the time required in Bangladesh part).

Source: Prepared by the project team.

Results from the CPMM analysis for this corridor (Table 4.8) show that it takes approximately 28 hours (including 18 hours travel time and 10 hours stoppage time) to transport cargoes through this 478 km corridor.

Results from TRS (Table 4.9) show that average time taken for release of all types of import cargoes amounts to approximately 6 hours 34 minutes, which includes, among others, 4 hours 23 minutes for port authority area procedures, 2 hours 45 minutes for customs procedures, 14 minutes for banking procedures, and 18 minutes for port authority clearance procedures (post customs).

**Table 4.8: Transport Time through Banglabandha–Dhaka Corridor**

Indicators	Mean	Max	Min
Total distance (kilometers)	478	500	449
Total travel hours with delay	28.50	33.50	17.75
Total stops	9	12	7
Total stoppage hours	10.55	15.83	4.09
Total travel hours without delay	17.95	21.75	13.66

Source: Prepared by the project team.



**Table 4.9: Results from Time Release Studies for Import at Banglabandha**

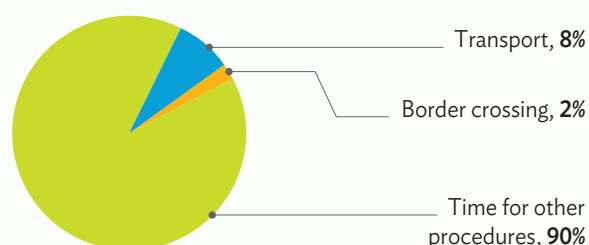
Indicators	Duration
Average time taken for release of all types of import cargo, which includes, among others,	6 hours 34 minutes
– Port Authority Area—weighing and unloading ( <i>Some activities are carried out in parallel with the customs procedures</i> )	4 hours 23 minutes
– Customs Procedures	2 hours 45 minutes
– Banking Procedures	0 hours 14 minutes
– Port Authority Clearance Procedures (post customs)	0 hours 18 minutes

Source: Prepared by the project team.

A synthesis analysis of time required for completing different procedures has important policy implications. As shown in Figure 4.7, transport and border-crossing processes account for 8% and 2% of the total trade time for an existing importer. This shows the importance of optimization and simplification of trade process from a whole supply-chain perspective. Certainly it is always important to improve transport and the border crossing process, but these two factors accounted for approximately 10% of the total trade process.

Furthermore, it is important to note that discussion

here is based on the assumption that the traders have obtained all necessary licenses and permits to carry out business. Otherwise, the total trade time will be much longer and the total percentage of transport and border crossing time would be further reduced. This finding reveals that policy makers and other stakeholders need to pay great attention to other procedures as well in order to reduce total trade time.

**Figure 4.7: Time Required for Completing Different Types of Import Procedures**

Source: Prepared by the project team.

#### 4.2.1.2 Costs for Import

Results from the BPA (Table 4.10) show that, in a typical case, costs for importing lentils from Nepal to Bangladesh through Banglabandha LCS are approximately Tk69,140 (\$886.41), which does not include the costs of approximately Tk43,950 (\$563.46) for completing onetime procedures (obtaining all the necessary license/certificate/permit) for a new trader.

Taking all procedures (including onetime procedures for the new traders) into consideration, the most costly procedures include *obtain membership in local business association/chamber* (approximately \$370, or 26% of the total costs), *transport* (approximately \$513, or 35% of the total costs), and *Import Registration Certificate (IRC)* (approximately \$147, or 10% of the total costs); these three procedures in total account for 71% of the trade costs.



**Table 4.10: Costs Involved in the Import of Lentils from Nepal to Bangladesh through Banglabandha Land Customs Station**

SN	Procedures	Cost (Tk)	Cost (\$)
<b>1</b>	<b>Buy</b>		
1.1	Conclude sales contract and trade terms	0	0
<b>2</b>	<b>Ship</b>		
2.1	Obtain Trade License	3,600	46.15
2.2	Obtain Tax Identification Number	0	0
2.3	Open bank account against the trade license	0	0
2.4	Obtain membership in local business association/chamber	28,850	369.87
2.5	Obtain Import Registration Certificate	11,500	147.44
2.6	Obtain VAT Registration Certificate	0	0
2.7	Obtain import permit	100	1.28
2.8	Prepare and endorse import documents	2,000	25.64
2.9	Arrange transport	0	0
2.10	C&F agent charges (Tk3,000 + C&F VAT Tk600 + C&F AIT Tk400 + labor charge Tk55/ton + port charges Tk220 per truck)	6,320	81.03
2.11	Border crossing of import goods	0	0
2.12	Obtain Quarantine Certificate (first ton is Tk50 and additional Tk5 per ton)	145	1.86
2.13	Provide customs declaration	0	0
2.14	Customs inspection and clear goods (import of lentils is duty free, however, required to pay C&F VAT and AIT, and port charges [Tk220 per truck]; usually borne by C&F agent)	0	0
2.15	Transport goods to importer's warehouse (varies from Tk1,700 to Tk2,500 per ton)	40,000	512.82
<b>3</b>	<b>Pay</b>		
3.1	Establish payment guarantee by opening LC	20,575	263.78
3.2	Make payment for import goods	0	0
3.3	Submission of customs certified Bill of Entry	0	0
	<b>Total</b>	<b>113,090 (69,140)</b>	<b>1,449.87 (886.41)</b>

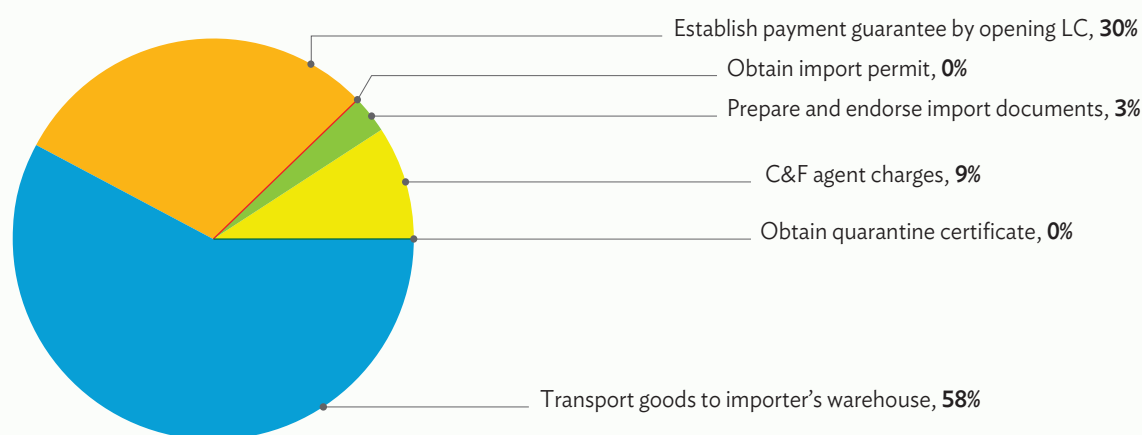
AIT = advance income tax, C&F = clearing and forwarding, LC = letter of credit, LCA = Letter of Credit Authorization, SN = serial number, STAMP = Securities Transfer Agents Medallion Program, SWIFT = Society for Worldwide Interbank Financial Telecommunication, Tk = Taka, VAT = value-added tax.

Notes:

- Procedures 2.1 to 2.6 are general requirements of doing import business in Bangladesh and importer has to do these once, some license/membership and certificate need to be renewed every year paying applicable renewal fees.
- All other import costs are estimated as average cost of importing (except price of the product) one truck (20 tons) of lentils from Nepal to Bangladesh through Banglabandha land port.
- LC opening charge/issuing charge 0.5% of invoice for deferred payment and 0.4% for sight LC; (for a 120 metric ton consignment SWIFT charge Tk1,950, STAMP Tk300, LCA FORM Tk575, insurance cover note premium Tk64,470).
- Excluding the cost of general requirement of license, membership, and certificates for conducting export business in Bangladesh, the cost of exporting one truck of lentils (20 tons) from Nepal to Bangladesh through Banglabandha land port is estimated as \$886.41 which has been shown in parenthesis.

Source: Prepared by the project team.

When the onetime procedures are excluded from the analysis, Figure 4.8 shows that the most expensive trade procedures include *transport goods from border crossing to importer's warehouse* (approximately \$513, or 58% of the total trade cost), followed by the procedures *LC opening cost* (approximately \$264 or 30% of the total costs), *C&F agent charges* (approximately \$81 or 9% of the total costs) and *prepare and endorse import documents* (approximately \$26, or 3%).

**Figure 4.8: Costs for Import Trade Procedures Excluding Onetime Procedures (%)**

C&F = clearing and forwarding, LC = letter of credit.

Source: Prepared by the project team.

Results from the CPMM shows that the average official costs incurred along the Banglabandha–Dhaka corridor amounts to approximately \$107. The costs mainly include tollway charges and other official charges along the way but exclude fuel cost and driver's salary.

#### 4.2.1.3 Number of Procedures for Import

As shown in Figure 4.6, an existing importer has to complete 13 distinct procedures for importing lentils from Nepal to Bangladesh through Banglabandha LCS. Furthermore, additional 6 onetime procedures are required for a new trader. In other words, a new trader needs to go through 19 procedures to complete the import process.

#### 4.2.1.4 Number of Actors

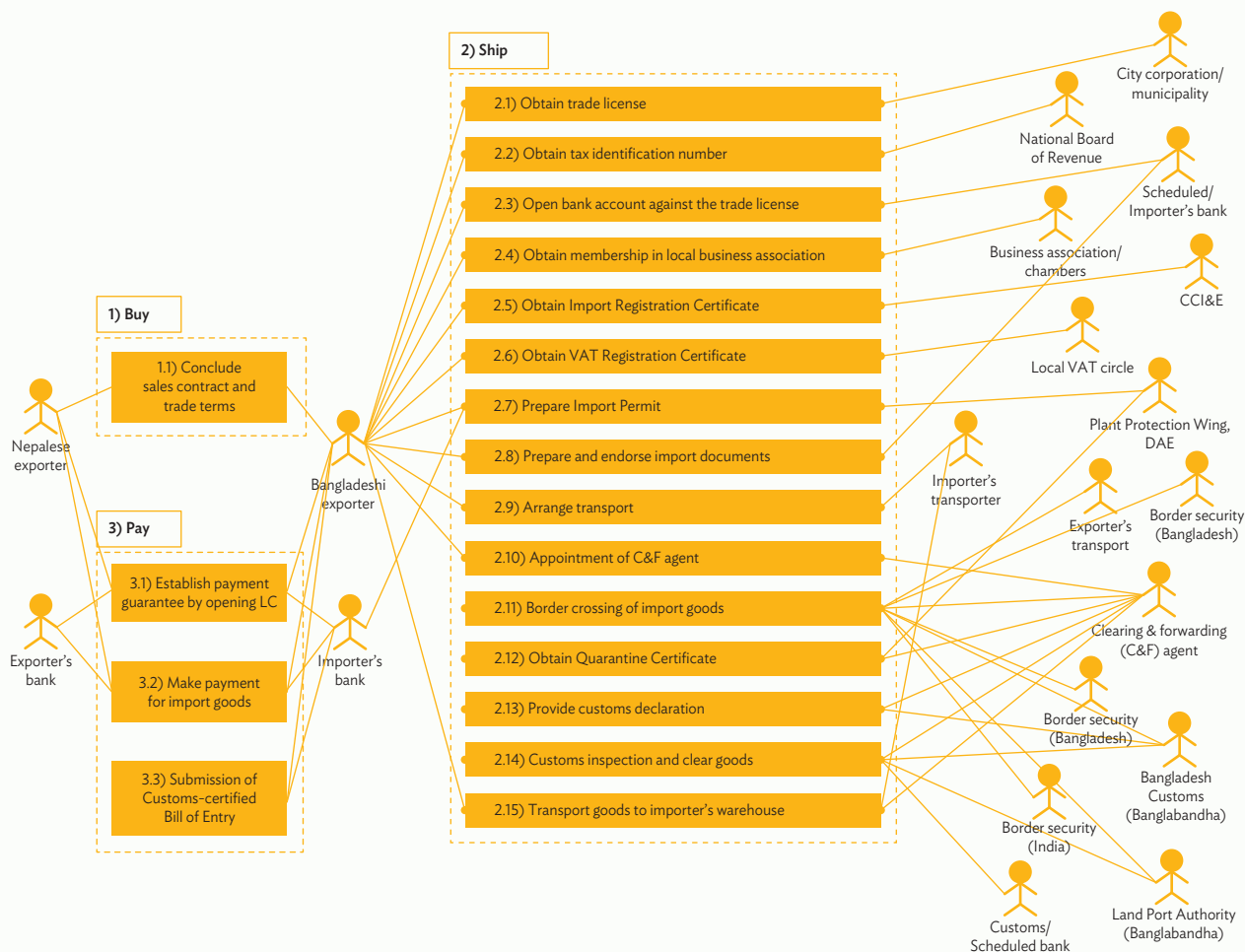
As shown in Figure 4.9, there are in total 20 actors involved in importing lentil from Nepal to Bangladesh.

#### 4.2.1.5 Number of Documents for Import

For an existing trader, 18 documents are required to complete the import process. However, these documents need to be submitted repeatedly—a total of 71 times. A new trader who has to complete all onetime procedures, needs 27 documents to complete the import process and these documents need to be submitted 93 times. The details of the documents for export process are shown in Tables 4.11 and 4.12.

#### 4.2.1.6 Average Speed along the Banglabandha–Dhaka Corridor

Average speed with delays and without delays along the Banglabandha–Dhaka corridor amounts to 17 km/h and 27 km/h, respectively. The former is calculated when the total journey time is taken into consideration while in the case of the latter, the stoppage time is excluded from the total journey time.

**Figure 4.9: Use Case Diagram of Business Process of Import of Lentils from Nepal to Bangladesh**

C&F = clearing and forwarding, DAE = Department of Agricultural Extension, LC = letter of credit, VAT = value-added tax.

Source: Prepared by the project team.

## 4.2.2 Diagnosis and Recommendations

Analysis of key procedures and detailed recommendations according to BPA for import of lentils from Nepal to Bangladesh through Banglabandha Land Port is shown in Table 4.14. Analysis of the bottlenecks is mainly based on the classification of procedural requirements, data and documentary requirements, transparency/predictability. Recommendations according to analysis of bottlenecks are provided accordingly.

Notwithstanding the difference of bottlenecks and recommendations associated with specific procedures, some bottlenecks are prominent. For instance, documents need to be submitted manually and repeatedly, which may cause delays, especially when there are errors in filling in the documents. Common solutions to remove bottlenecks include automation, single window, online application, reduction of number of documents to be submitted to each agency, data harmonization, and simplification of procedures.

**Table 4.11: Documents Required for Import of Lentils from Nepal to Bangladesh**

SN	Procedures	No. of documents	List of Documents
<b>1</b>	<b>Buy</b>		Quotation, purchase order
1.1	Conclude sales contract and trade terms	2	Quotation, purchase order/indent
<b>2</b>	<b>Ship</b>		
2.1	Obtain trade license	2	National ID, ownership/lease document
2.2	Obtain Tax Identification Number (TIN)	1	National ID
2.3	Open bank account against the trade license	4	National ID, trade license, TIN certificate, copy of nominee's national ID, nominee's photo
2.4	Obtain membership in local business association/chamber	4	National ID, trade license, TIN certificate, business name card, bank certificate, attached photograph
2.5	Obtain Import Registration Certificate (IRC)	5	National ID, trade license, TIN certificate, business name card, bank certificate, attached photograph, local business association/chamber membership certificate
2.6	Obtain value-added tax (VAT) registration certificate	6	National ID, trade license, TIN certificate, ownership/lease document, bank certificate, attached photograph, IRC
2.7	Obtain import permit	4	Filled application form (Form-1), IRC, trade license, TIN certificate, VAT certificate
2.8	Prepare and endorse import documents	9	Commercial invoice, country of origin, truck receipt, packing list (these four received from exporter), IRC, TIN certificate, VAT certificate, import permit, No Objection Certificate (NoC) from bank
2.9	Arrange transport	1	Packing and weight list
2.10	Appointment of C&F agent	1	Pro forma invoice
2.11	Border crossing of import goods	2	Car pass, customs transit declaration
2.12	Obtain quarantine certificate	3	Filled application form, import permit, phytosanitary certificate (Nepal) and truck receipt
2.13	Provide customs declaration	18	Bill of entry, car pass, customs transit declaration, LC copy, LCA copy, pro forma invoice, commercial invoice, Country of Origin certificate, phytosanitary certificate, packing and weight list, track receipt, marine cover note/insurance certificate, bank NoC Quarantine certificate, copy of IRC, import permit, weightment slip, Radio Activity Test certificate
2.14	Customs inspection and clear goods	18	Bill of entry, car pass, customs transit declaration, LC copy, LCA copy, pro forma invoice, commercial invoice, Country of Origin certificate, phytosanitary certificate, packing and weight list, track receipt, marine cover note/insurance certificate, bank NoC Quarantine certificate, copy of IRC, import permit, weightment slip, Radio Activity Test certificate
2.15	Transport goods to importer's warehouse	2	Gate pass and signed bill of entry
<b>3</b>	<b>Pay</b>		
3.1	Establish payment guarantee by opening LC	5	Application for LC, LCA, pro forma invoice, copy of IRC, import permit, insurance cover note
3.2	Make payment for import goods	5	Commercial invoice, packing and weight list, country of origin certificate, truck receipt, and phytosanitary certificate and any other document required by LC
3.3	Submission of customs-certified Bill of Entry	1	Customs-certified Bill of Entry

C&F = clearing and forwarding, LC = letter of credit, LCA = Letter of Credit Authorization, SN = serial number.

Notes:

- Procedures 2.1 to 2.6 are general requirements of doing import business in Bangladesh and an importer has to do these once; some license/membership and certificate need to be renewed every year paying applicable renewal fees.
- Application form, applicant's photo has been mentioned in the detailed list; however, has not been considered as document requirement and not counted in the 'Number of documents required.'

Source: Prepared by the project team.

**Table 4.12: Submitting Import Documents: Manually or Electronically**

SN	Procedures	Manual Submission	Electronic Submission
<b>1</b>	<b>Buy</b>		
1.1	Conclude sales contract and trade terms	✓	✓
<b>2</b>	<b>Ship</b>		
2.1	Obtain trade license	✓	
2.2	Obtain Tax Identification Number	✓	✓
2.3	Open bank account against the trade license	✓	
2.4	Obtain membership in local business association/chamber	✓	
2.5	Obtain Import Registration Certificate	✓	
2.6	Obtain VAT Registration Certificate	✓	
2.7	Obtain import permit	✓	
2.8	Prepare and endorse import documents	✓	
2.9	Arrange transport	✓	✓
2.10	Appointment of C&F agent	✓	✓
2.11	Border crossing of import goods	✓	
2.12	Obtain quarantine certificate	✓	
2.13	Provide customs declaration	✓	
2.14	Customs inspection and clear goods	✓	
2.15	Transport goods to importer's warehouse		
<b>3</b>	<b>Pay</b>		
3.1	Establish payment guarantee by opening LC	✓	
3.2	Make payment for import goods	✓	✓
3.3	Submission of customs-certified Bill of Entry		✓

C&F = clearing and forwarding agent, LC = letter of credit, SN = serial number, VAT = value-added tax.

Note: Procedures 2.1 to 2.6 are general requirements of doing import business in Bangladesh and an importer has to do these once; some license/membership and certificate need to be renewed every year paying applicable renewal fees.

Source: Prepared by the project team.

**Table 4.13: Speed and Time along Banglabandha–Dhaka Corridor**

Indicators	Mean	Max	Min
Total distance (km)	478	500	449
Total travel hours with delay	28.50	33.50	17.75
Total stops	9	12	7
Total stoppage hours	10.55	15.83	4.09
Total travel hours without delay	17.95	21.75	13.66
Speed with delay (km/h)	16.77	26.93	14.27
Speed without delay (km/h)	26.63	34.99	21.98

h = hour, km = kilometer.

Source: Prepared by the project team.

**Table 4.14: Import of Lentils from Nepal to Bangladesh through the Banglabandha Land Customs Station: Diagnosis and Recommendations According to Business Process Analysis**

SN	Core Business Process (Use case)	Observations			Recommendations
		Procedural Requirements	Data and Documentary Requirements	Transparency / Predictability	
1	Buy				
2	Ship				
21.1	Obtain trade license	For obtaining trade license, importer has to apply using prescribed 'Application form (Form-K)' to the concerned local authority; with required documents and applicable fees. Local authority concerned visits the business entity of the applicant and verifies the applicant's information and existence of the business entity. If all provided information are found correct, local authority concerned issues 'trade license' to the importer.  Note: Trade license needs to be renewed every year by depositing applicable renewal fees.	Along with filled prescribed application form, 3 copies of photo, a copy each of national ID, and ownership/ lease documents are required. All documents need to be certified by authorized person.	Transparency and predictability of this activity varies from one local government authority to another. While some central and big city corporations laid down the application requirements, fees and application form available in their website; other smaller municipalities do not have such facility and manage the process manually leaving more opportunity of corruption and rent seeking by the implementing/ granting officials.	Implement online application, approval, issuance, and renewal of trade license. The electronic application and issuance process followed in e-TIN registration system can be replicated here.  Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for trade license should be provided.  Allow online submission of necessary documents and electronic transfer of required fees.  Harmonize data/document requirements across different license/ permit/certificate application forms in order to remove multiple submissions of identical pieces of data/documents.  These will reduce documentary requirements, application time and cost, reduce the possibility of red tape and corruption, and thereby, facilitate ease of doing business.
21.4	Obtain membership in local business association/ chamber	For obtaining membership in local business association/ chamber, importer has to apply using prescribed application form to local business association/ chamber. The membership application must be proposed by a member and seconded by another of the membership class to which the applicant wants to be admitted. Cost of applying membership varies across different associations/chambers (i.e., Dhaka Chamber of Commerce & Industry [DCCI] membership fee is Tk28,850).  Note: Membership needs to be renewed every year by depositing applicable renewal fees.	This activity requires submission of filled application form along with applicant's copy of photo, trade license, TIN certificate, bank certificate, business name card of the importer, and national identity card duly certified by authorized person.	The procedure is fairly transparent; however, varies across different associations/ chambers. Transparency and predictability of this activity could be improved by introducing electronic procedures.	Online application, approval, issuance, and renewal of membership may be considered.  Allow online submission of necessary documents and electronic transfer of required fees.  Harmonize data/document requirements across different license/ permit/certificate application forms in order to remove multiple submissions of identical pieces of data/documents.  These will reduce documentary requirements, application time and cost, and reduce the possibility of red tape, and corruption, and thereby facilitating ease of doing business.  Application fee may be reduced.

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Table 4.14: Continued

SN	Core Business Process (Use case)	Observations			Recommendations
		Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	
21.5	Obtain Import Registration Certificate (IRC)	For obtaining IRC, importer has to apply using prescribed application form to the Office of the Chief Controller of Imports & Exports (CCI&E) with required supporting documents and initial registration fees (Tk8,000/ + 15% value-added tax [VAT]). Upon verification of provided information CCI&E issues the IRC.  Note: IRC needs to be renewed every year by depositing applicable renewal fees.	This activity requires submission of filled application form along with a copy each of the trade license, TIN certificate, bank certificate, national identity card, and membership certificate from the local chamber duly certified by authorized person.	This activity is quite transparent as the procedural and cost requirements are published in the website of the CCI&E. However, the transparency and predictability of this process can be much improved by introducing electronic application, approval, issuance, and renewal of an IRC.	Implement online application, approval, issuance, and renewal of IRC. The electronic application and issuance process followed in e-TIN registration system can be replicated here.  Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for IRC should be provided.  Allow online submission of necessary documents and electronic transfer of required fees.  Harmonize data/document requirements across different license/permit/certificate application forms in order to remove multiple submission of identical pieces of data/documents.  These will reduce documentary requirements, application time and cost, and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.
21.6	Obtain VAT Registration Certificate	For obtaining VAT registration certificate, importer has to apply using prescribed application form (Mushak-6) to the concerned local VAT circle with required supporting documents. Upon verification of provided information, concerned local VAT authority issues the VAT registration certificate. Concerned VAT authority performs post verification about applicant's information and existence of the business entity.	This activity requires submission of filled application form (Mushak-6) along with applicant's 2 copies of photo, a copy each of national ID, TIN certificate, ownership/lease documents, IRC, and bank certificate duly certified by authorized person.	This activity is quite transparent as the procedural requirements are well-known. However, the transparency and predictability of this process can be much improved by introducing electronic application, approval, and issuance of VAT registration certificate.	Implement online application, approval and issuance of VAT registration certificate. The electronic application and issuance process followed in e-TIN registration system can be easily replicated here.  Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for VAT registration certificate should be provided.  Allow online submission of necessary documents and electronic transfer of required fees.  Harmonize data/document requirements across different license/permit/certificate application forms in order to remove multiple submissions of identical data/documents.  These will reduce documentary requirements, application time and cost, and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.

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Table 4.14: Continued

SN	Core Business Process (Use case)	Observations			Recommendations
		Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	
21.7	Obtain Import Permit	This process requires importer to collect import permit from the Plant Protection Wing, Department of Agricultural Extension (DAE) by applying using prescribed application form, required supporting documents and applicable fees.	This activity requires submission of filled application form (Form-1) along with a copy each of IRC, trade license, TIN, VAT certificate, and required fees (First 10 ton Tk1 and additional per ton Tk1) to the Plant Protection Wing, DAE.	This activity is quite transparent as the process and requirements are published in the website of the DAE. However, transparency and predictability of this process can be much improved by introducing electronic application, approval, and issuance of Import Permit.	<p>Implement online application, approval, and issuance of Import Permit. The electronic application and issuance process followed in e-TIN registration system can be easily replicated here.</p> <p>Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for Import Permit should be provided.</p> <p>Allow online submission of necessary documents and electronic transfer of required fees.</p> <p>Harmonize data/document requirements across different license/permit/certificate application forms in order to remove multiple submission of identical data/documents.</p> <p>This will reduce documentary requirements, application time and cost, and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.</p>
21.11	Border crossing of import goods	<p>This process involves crossing of import cargo from the Indian part of the corridor through Banglabandha LCS. Border security (Bangladesh) and Bangladesh customs (Banglabandha) keep record of the car pass of the import consignment at the zero point and inspects the import cargo where necessary.</p> <p>C&amp;F agent (appointed by the importer) collects car pass and other documents and arranges entry of loaded truck(s) into the land port yard (Banglabandha) where the date and time of entry of loaded truck(s) is recorded.</p>	This step does not require submission or processing of any documents; however, car pass, customs transit declaration, certificate of origin, phytosanitary certificate, pro forma invoice, commercial invoice, and packing and weight list to be carried along with the import consignment.		Implementation of one-stop border post may be considered among the members of Bangladesh, Bhutan, India, and Nepal as suggested by the World Trade Organization Trade Facilitation Agreement for effective border agency cooperation.

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Table 4.14: Continued

SN	Core Business Process (Use case)	Observations			Recommendations
		Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	
21.12	Obtain Quarantine Certificate	This process requires importer/C&F agent to submit prescribed application form along with necessary documents (Import Permit, phytosanitary certificate [Nepal] and truck receipt) to the plant quarantine officer of the regional office of DAE, who verifies the documents and plant inspection officer conducts the inspection and submits a report to the plant quarantine officer. Plant quarantine officer issues the quarantine certificate based on the report.	This activity requires submission of prescribed application form, import permit, phytosanitary certificate (Nepal) and truck receipt. This activity generates Quarantine Certificate.		<p>Implement online application, approval and issuance of Quarantine Certificate.</p> <p>Equip the system with auto-correct and auto-calculation features to assist the applicants in completing the online application forms. Additional instructions on how to complete the application for Quarantine Certificate should be provided.</p> <p>Allow online submission of necessary documents and electronic transfer of required fees.</p> <p>Harmonize data/document requirements across different license/permit/certificate application forms in order to remove multiple submission of identical data/documents.</p> <p>This will reduce documentary requirements, application time and cost, and reduce the possibility of red tape and corruption, and thereby facilitating ease of doing business.</p>
21.13	Provide customs declaration	This activity requires C&F agent to prepare and submit Bill of Entry to Bangladesh Customs (Banglabandha) with all other import documents. Customs to verify Bill of Entry and all other supporting documents according to the declaration. If submitted import declaration meets customs requirements, customs keeps record of the Bill of Entry (manually) and issues a Bill of Entry number.	Providing customs declaration requires submission of filled-in Bill of Entry, car pass, Customs Transit Declaration (CTD), a copy each of the LC, LCA, pro forma invoice, commercial invoice, certificate of origin, phytosanitary certificate, packing and weight list, track receipt, marine cover note/insurance certificate, bank NoC, quarantine certificate, import permit, IRC, radiation certificate, and weight slip.	Here the entry of customs declaration is done manually—reducing the transparency and predictability of the activity.	<p>Install and activate ASYCUDA World at the Banglabandha LCS. Ensure uninterrupted connectivity of ASYCUDA World with the central server to ensure effective use of this online system.</p> <p>It would also help to minimize the use of manual system presently used in parallel to the online system. It will also eliminate submission of several copies of each of all import documents.</p> <p>Install and operationalize a fully paperless system/single window to eliminate the use of hard copy of documents. Such a system would eliminate the time involved with physically moving documents. This will increase the transparency and predictability of this activity.</p>
21.14	Customs inspection and clear goods	Customs inspection and clear goods involve verification of submitted import documents and import goods and ensuring that the import consignment is exactly the same as the declared one.	<p>This step involves verifying the import documents submitted in the previous step and import goods.</p> <p>Customs also determines the assessed value of the import goods and calculates duty (if any) and VAT and AIT on C&amp;F service charges.</p>	There is a great deal of information on the NBR website ( <a href="http://www.nbr.gov.bd">http://www.nbr.gov.bd</a> ) and Bangladesh customs website ( <a href="http://customs.gov.bd">http://customs.gov.bd</a> ); but instructions or guidelines for traders for completing customs formalities both for exports and imports are surprisingly absent.	<p>NBR and Bangladesh customs should develop comprehensive guidelines for customs clearance for export and import and host it in its website.</p> <p>Install and activate ASYCUDA World at the Banglabandha LCS. Ensure uninterrupted connectivity of ASYCUDA World with the central server to ensure effective use of this online system.</p> <p>It would also help to minimize/eliminate the use of manual system presently used in parallel to the online system.</p> <p>Install and operationalize a fully paperless system/single window to eliminate the use of hard copy of documents.</p>

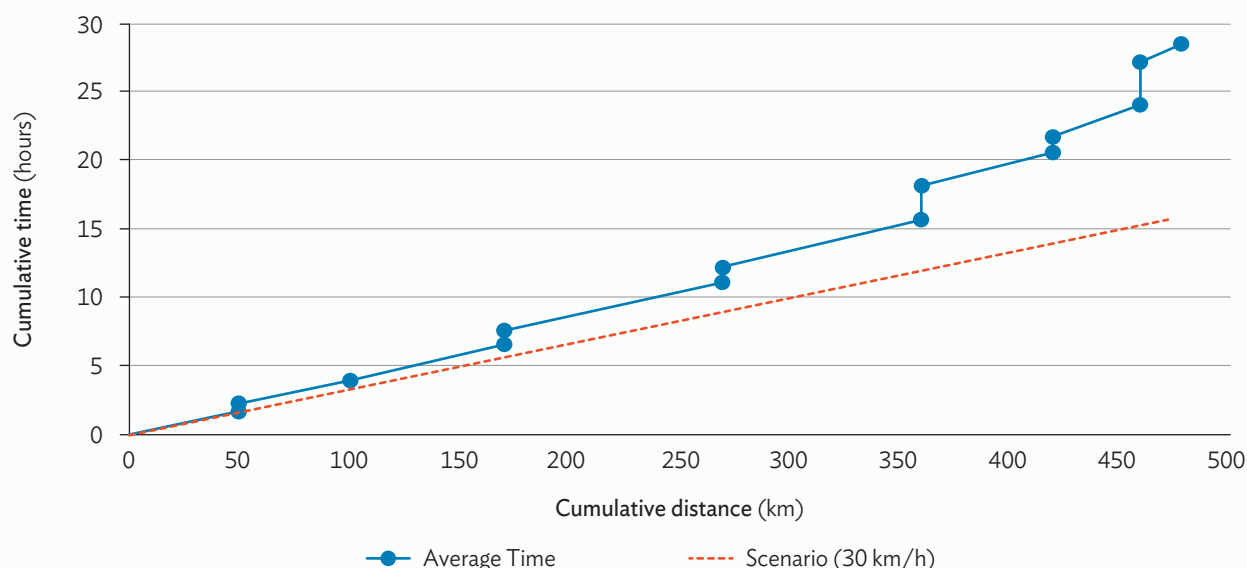
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Table 4.14: Continued

SN	Core Business Process (Use case)	Observations			Recommendations
		Procedural Requirements	Data and Documentary Requirements	Transparency/Predictability	
		Customs assesses the import goods and C&F agent deposits assessed duty (if any), and VAT and AIT on C&F services charges through TR Challan to the Sonali Bank and submit the TR Challan to the Customs. Upon receipt of the TR Challan and payment of Bangladesh Land Port Authority (BLPA) charges, customs issues/signs release order (Bill of Entry and car pass).	Customs officer has to record the actual quantity and assessed value of import goods into customs information system.	The traders would benefit if such guidelines are developed and posted on the NBR and customs website. Moreover, as already mentioned, much of the clearance work is done manually. These affect the transparency and predictability of this process.	<p>Such a system would eliminate the time involved with physically moving documents from one location to another, reducing total customs release time and cost.</p> <p>Review the internal workflows to further simplify the customs clearance processes and address duplication of work by reassessing delegation of responsibilities and repetitive procedures such as the referral of Bills of Entry from the assistant revenue officer to the revenue officer at each step of the current release and clearance process. Revenue officers and assistant commissioners should perform periodic monitoring by checking a sample of the work for accountability and quality control purposes and focus on the higher end of the risk continuum.</p> <p>Implementation of a trusted trader program as outlined in the Revised Kyoto Convention may be considered as a part of the overall risk management continuum. This would allow traders who meet certain criteria to benefit from simplified procedures such as direct release, prior release, and simplified declaration. It would allow securing full benefit from the Authorized Economic Operator program, which NBR is currently developing.</p> <p>Full implementation of the selectivity module of ASYCUDA World for risk management of all cargo declarations may be considered.</p> <p>Build capacity of front line officials to better manage the paperless system/single window and overall risk management system.</p> <p>Strengthen the professional relationship with other actors involved in the customs clearing procedures.</p> <p>BLPA should consider introducing electronic data sharing with Bangladesh customs, which will reduce the manual movement of hard copy of documents/files. BLPA may also consider improving some infrastructural issues; including installing necessary equipment for loading and unloading of import and export cargo to replace present manual operation.</p>
3	Pay				

ASYCUDA = Automated System for Customs Data; BBIN = Bangladesh, Bhutan, India, and Nepal; C&F = clearing and forwarding; LCS = Land Customs Station; TFA = Trade Facilitation Agreement; WTO = World Trade Organization.

Source: Prepared by the project team.

**Figure 4.10: Time–Distance along Banglabandha–Dhaka Corridor**

km = kilometer, km/h = kilometers per hour.

Source: Prepared by the project team.

According to the CPMM analysis, as shown in Figure 4.10, major delays occurred for crossing the Jamuna Bridge and entry barrier to Dhaka city, as detailed in Section 4.1.2. It is important to note that under the scenario that the vehicle travels at a speed of 30 km/h, on average, the journey time can be reduced by 44% (from 28.5 hours to 16 hours).

Results from TRS show that each border procedure is generally efficient. However, such high efficiency may be largely due to the low volume of cargoes during the study period. For the bilateral trade between Bangladesh and India, there was almost no export cargo and import was limited to stone boulder. The volume of goods for export and import between Bangladesh and Nepal was low and the shipment was infrequent due to the India–Nepal unofficial border crisis. The situation increases difficulty of observing key bottlenecks.

Nevertheless, analysis of procedures using both BPA and TRS methodologies shows that some procedures can be further simplified. For instance, assistant revenue officer's decisions are always referred to the revenue officer and the revenue officer's decisions are often referred to the assistant commissioner. Assistant commissioner's decisions can also be referred to higher levels of management. While this may be targeted to ensure checks and balances and accountability, it also reflects duplication of work in the customs procedures, which may be addressed for increased operational efficiency.

The study also shows that most documents are handled manually. Physical movement of documents increases trade process time and lowers efficiency. Installing and operationalizing customs automation (ASYCUDA) will provide useful solutions in this respect, and will ensure efficient border crossing when trade volume increases.

# WAY FORWARD TO ESTABLISH TRADE AND TRANSPORT FACILITATION MONITORING MECHANISM IN BANGLADESH

The TTFMM baseline study serves as the first step—and an essential one—toward establishment of TTFMM in Bangladesh. The next question for policy makers and other stakeholders is how to establish long-term sustainable TTFMM in the country. This chapter reviews the most important aspects on establishing TTFMM in the country including institutional arrangement, national capacity building, resources, continuation and expansion of monitoring, and alignment of TTFMM with global and regional initiatives.

## 5.1 Institutional Arrangement

In undertaking the TTFMM baseline study in Bangladesh, support from National Board of Revenue (NBR) and other stakeholders especially the members of Bangladesh National Trade Facilitation Committee (NTFC)<sup>20</sup> was crucial to data collection and analysis.

Moving forward, leadership and ownership of TTFMM from within the country are crucial to maintain the sustainability of TTFMM. Institutionalizing TTFMM is the key to success in this respect. In other words, in order to make TTFMM sustainable, it is important that a national body should oversee the operation of TTFMM. The national body needs to plan the various activities under TTFMM and secure resources for execution.

Certainly, decisions on institutional arrangement of TTFMM should be made by policy makers and stakeholders in the country. Nevertheless, this study proposes that NTFC is the most suitable candidate to lead TTFMM because NTFC includes representatives of all or key stakeholders of trade and transport facilitation.

Industry associations and the private sector will benefit from the sustainability of TTFMM because enhanced trade and transport facilitation would increase the competitiveness of industry and the private sector in the international market. Therefore, a clear message to the public is that the TTFMM is not the sole obligation of government, but industry association and the private sector may also play a very active role in supporting various activities under TTFMM.

<sup>20</sup> Further information on the NTFC in Bangladesh is available at <http://unctad.org/en/DTL/TLB/Pages/TF/Committees/detail.aspx?country=BD>

## 5.2 National Capacity Building

As part of ensuring the sustainability of TTFMM, national human capacity needs to be developed and maintained. National experts and process owners, rather than international experts, should be involved in conducting the assessment and performance studies. This arrangement ensures that all activities under the TTFMM will be carried out in a cost-effective manner.

In the process of undertaking TTFMM baseline study, national capacity has been substantially built. For instance, the study was mainly carried out by the national consultants who are clearly capable of undertaking similar studies in the future. For another example, data collection was greatly supported by the industry association and private sector who will be more capable of collecting similar data in the future. It is important to mention that various regional and national workshops were organized as part of TTFMM baseline study and the participants of the workshops deepened their understanding on TTFMM.

To build on the momentum and further enhance capacity building, a number of actions can be considered. First, national capacity building can be organized to disseminate the TTFMM baseline study results and explain to the stakeholders the methodologies for the study. Second, “learning by doing” is an effective way to build capacity.

In this respect, a TTFMM update study should be carried out that will involve a number of selected staff and personnel from NTFC, government agencies, national institutes, industry association and private sector who are tasked with overseeing TTFMM. Third, the cost-effective means of capacity building should be promoted. For instance, UNESCAP provides an online training course on Business Process Analysis<sup>21</sup>—an important component of TTFMM.

## 5.3 Resources

In the long term, the operation of TTFMM is likely to be underpinned by national resources. While the government may provide an adequate and separate budget for operation of TTFMM, given its broad social and economic benefit, innovative solutions toward system sustainability may be examined. For instance, key government agencies may provide part-time or full-time qualified staff to conduct the studies.

A Public–Private Partnership (PPP) modality could also be envisaged. Part of the resources of TTFMM may come from private sector organizations such as Chambers of Commerce or Industry Associations considering the benefits TTFMM can bring to the business community. The private sector contribution may come in the form of an in-kind contribution (e.g., staff secondment or the allocation of staff time to collect and/or analyze data). In that context, communicating with the general public on the benefits of TTFMM, presenting useful results on a regular basis and showcasing the achievements will be important to win continuous and broad-based support—including financial support—from a wide range of public and private stakeholders.

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<sup>21</sup> More detailed information is available at <http://www.unescap.org/our-work/trade-investment-innovation/trade-facilitation/bpa-course>

Cooperation with development partners and donors may provide another solution to securing resources. Once the usefulness of TTFMM is fully recognized by all relevant stakeholders, development partners/financing institutions/international donors are also likely to support the operation of TTFMM.

## 5.4 Continuation and Expansion of Monitoring

The baseline data, as an outcome of TTFMM baseline study, will be used as the basis for the purpose of benchmarking trade and transport facilitation performance over time. Accordingly, further studies on the same products and the same corridors should be carried out regularly to check the progress and/or setbacks.

Given the constraints in financial and human resources, comprehensive studies may be conducted every two or three years while small scale update of studies should be carried out annually. A few examples of such small-scale studies include (i) organizing a national consultation workshop to review and update the data related to trade and transport facilitation, (ii) collecting and updating data related to specific procedures or corridors, and (iii) reporting the emerging or key issues on trade and transport facilitation.

When more financial resources are made available and an enlarged pool of experts are developed, the scope of monitoring can be expanded to cover more products, corridors, and trade and transport procedures, taking the factors listed in section 2.1 into consideration whenever possible.

## 5.5 Alignment of Trade and Transport Facilitation Monitoring Mechanism with Global, Regional, and National Initiatives

Establishment of TTFMM should be regarded as an integral component to support policy making, rather than “add-on” or isolated efforts. In this respect, it is important to align TTFMM with global, regional, and national initiatives.

At the global level, a large number of countries, especially the members of World Trade Organization (WTO), are committed to implementing the trade facilitation measures under the WTO’s Trade Facilitation Agreement (TFA).<sup>22</sup> At the regional level, the BBIN Motor Vehicles Agreement has been widely regarded as a game-changing pact that set in motion steps to make it possible for both passenger vehicles and, perhaps more importantly, freight vehicles, to cross swiftly and easily from one country to another. At the national level, a broad range of trade facilitation measures (such as establishment of national single window) are being implemented.

Certainly, implementation of trade facilitation measures itself is important. To measure the effectiveness and outcome of implementation is probably more important because, after all, implementation of trade facilitation measures is a means to enhance trade facilitation, and not an end itself. A couple of basic questions policy makers and other stakeholders may ask include: (i) are the time, costs, and number of documents for completing a

<sup>22</sup> As of 31 October 2016, 96 WTO members have ratified the TFA. See WTO (2016b).

specific trade procedure reduced because of the implementation of trade facilitation measures?, and (ii) is the average travel speed along a corridor increased or border crossing time reduced due to implementation of a specific agreement?

Establishment of TTFMM would provide essential answers to these questions. TTFMM provides not only indicators but also diagnostic analysis, which enables the policy makers and relevant stakeholders to identify bottlenecks and solutions, so that the continuous improvement is possible. For example, this report contributes to the implementation of WTO's TFA because it identifies trade facilitation measures that need to be implemented in the short- and long-term, and therefore, supports a country to prioritize the implementation if the country faces financial and human capacity constraints.

# SUMMARY AND CONCLUSION

This report—derived from five separate reports related to specific product import and export, corridor, and border crossing performance prepared by the same project team—is a key outcome of the baseline study of Trade and Transport Facilitation Monitoring Mechanism (TTFMM) in Bangladesh. Our target audience includes policy makers, government officials, and the general public.

As the name suggests, a “baseline” study should not be treated as a one-off publication. Indeed, it is envisaged that, in the process of establishing and operating TTFMM, the current report is the first of its kind and is prepared in a way to not only report the key study findings, but also to lay foundation for future publications. A large series of reports will be produced in the years to come.

The key indicators in Table 6.1 summarize the current status of trade and transport facilitation performance.

**Table 6.1: Key Indicators on Trade and Transport Facilitation Performance**

Indicators		Export <sup>a</sup>	Import <sup>b</sup>
<b>Time</b>	Total trade time <i>excluding</i> onetime procedures for a new trader	14 days	15 days
	Total trade time <i>including</i> onetime procedures for a new trader	32 days	33 days
	Total time for transport, <i>including</i>	30 hours	28 hours
	– Travel time	19 hours	18 hours
	– Stoppage time	11 hours	10 hours
	Average time taken for release of cargoes, <i>including, among others</i>	2 hours 14 minutes	6 hours 34 minutes
	– Port Authority area—weighing and unloading <sup>c</sup>	–	4 hours 23 minutes
	– Customs procedures	1 hours 14 minutes	2 hours 45 minutes
	Banking procedures	–	0 hours 14 minutes
	Port Authority clearance procedures	0 hours 31 minutes	0 hours 18 minutes
<b>Costs</b>	Total trade costs <i>excluding</i> onetime procedures for a new trader	\$308	\$886
	Total trade costs <i>including</i> onetime procedures for a new trader	\$842	\$1,450
	Official costs incurred along the corridor	\$82	\$107
<b>Number of procedures</b>	Total number of procedures <i>excluding</i> onetime procedures for a new trader	15	13
	Total number of procedures <i>including</i> onetime procedures for a new trader	31	19
<b>Number of documents</b>	Total number of documents <i>excluding</i> onetime procedures for a new trader	11	18
	Total number of documents <i>including</i> onetime procedures for a new trader	20	27
<b>Number of copies of document</b>	Total number of copies of documents <i>excluding</i> onetime procedures for a new trader	93	71
	Total number of copies of documents <i>including</i> onetime procedures for a new trader	117	93
<b>Speed along the corridor</b>	Average speed with delays	15 km/h	17 km/h
	Average speed without delays	24 km/h	27 km/h

km/h = kilometers per hour.

<sup>a</sup> Export of plastic kitchenware and tableware to Bhutan through Burimari land port.

<sup>b</sup> Import of lentils from Nepal to Bangladesh through Banglabandha land port.

<sup>c</sup> Activities carried out in parallel with the customs procedures.

Source: Prepared by the project team.



A synthesis analysis of time required for completing different procedures has important policy implications. As shown in Table 6.1, transport and border-crossing processes account for approximately 10% and 4% of the total trade time for an existing and a new trader, respectively. This shows the importance of optimization and simplification of the trade process from a whole supply-chain perspective.

The indicators, together with detailed analysis of trade procedures and documents, reveal the bottlenecks and areas for improvement in trade and transport facilitation. To list a few examples:

- A regular or existing trader needs 11 documents to complete the export process, but these documents need to be submitted repeatedly—a total of 93 times. For a regular trader to complete the import process, 18 documents are required and need to be submitted repeatedly for a total of 71 times.
- It is costly to complete onetime procedures for a new trader. In typical cases, a new trader needs to cover approximately \$840 to complete processes exporting plastic kitchenware and tableware from Bangladesh to Bhutan through Burimari LCS. This includes Tk41,650 (or \$533.97) for completing onetime procedures; a new trader will need to cover the costs of \$1,450 for completing the process of importing lentils from Nepal to Bangladesh through Banglabandha LCS. This includes the costs of Tk43,950 (or \$563.46) for completing onetime procedures.
- The average speed *with* and *without* delays along corridors under study is 15–17 km/h and 24–27 km/h, respectively—much lower than the average speed surveyed in Central Asia.

Key recommendations in this report are divided into short- and long-term interventions. Classification in this respect does not follow hard-and-fast rules. Instead, the project team considered the key factors according to the level of difficulty for implementation of trade facilitation measures as well as the financial and human capacity requirements.

## Short-term Interventions

- Implementation of online application, approval, issuance and renewal of license/certificate/permit in a number of similar processes,
- Installation and operationalization of ASYCUDA World at Banglabandha LCS and arrangement of uninterrupted connectivity of ASYCUDA World at Burimari LCS,
- Rearrangement of internal workflows of the Customs,
- Removal of repetitive or redundant processes,
- Reduction of costs burden,
- Harmonization of data and documentary requirements, and
- Strengthening professional relationships with all parties involved in the trade procedures.

## Long-term Interventions

- Introduction of SWIFT (Single Window Interface for Facilitating Trade),
- Ensuring legal consistency for the introduction of single window/electronic procedures,
- Transparency in legal requirements,

- Establishment of authorized economic operator/trusted trader program,
- Upgrading skills of the front line officials, and
- Improving transport and border crossing infrastructure.

This report and its five supporting reports can be used for a range of purposes. First, the detailed information on trade process and procedures can be utilized to publicize trade and transport information. This is especially related to the WTO TFA Article 1, which is focused on publication and availability of information. Information in this report—which includes description of trade procedures—can be used directly, in the event that a trade portal is developed.<sup>23</sup>

Second, the quantitative indicators in these reports enable the policy makers and stakeholders to better take stock of the status and assess challenges in trade and transport facilitation. For instance, it is generally known that speed along the major transport corridors is restricted and, the concise analysis in this report provides the scenario that if the intended vehicle can travel at 30 km/h, travel time can be reduced by 44%–50%.

Third, this report highlights the key bottlenecks to efficient trade and transport facilitation and proposes recommendations to remove those bottlenecks and enhance the process that supports evidence-based policy making and reform. One example is that proposed procedures in this report are covered by the WTO's TFA, indicating the importance of implementing TFA for advancing trade and transport facilitation in a country. On the other hand, the report substantially adds value to implementing TFA because it identifies trade facilitation measures that need to be implemented in the short- and long-term, and therefore, supports a country to prioritize the implementation if the country faces financial and human capacity constraints. Another example is that this report reveals the benefits and importance for countries to join the emerging regional agreements especially the *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific*. Trade and transport procedures between Bangladesh and its two trading partners Bhutan and Nepal involve transit country India. State-of-the-art cross-border exchange of data and information among these countries is crucial for ensuring efficiency of trade processes. However, relevant work in this area remains largely at the nascent stage of development. These countries should consider joining the regional agreement to take full advantage of the opportunities for accessing new technology and innovative practice, receiving technical assistance and building capacity.

Finally, it is important to reiterate that the report provides baseline data for benchmarking in the future. In other words, when similar indicators are collected in the future, the progress or setbacks in trade and transport facilitation can be analyzed, and policy and actions can be adjusted if necessary. Furthermore, the studies and relevant discussions in these reports are fully in line with the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) Recommendation Number 42 on TTFMM published on 27 April 2017 and may serve as useful reference for any similar work in the future.

<sup>23</sup> An example of trade portal is the one developed in the Lao PDR; detailed information is available at <http://www.laotradeportal.gov.la/>

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## APPENDIX

# List of Participants of Workshops for the Trade and Transport Facilitation Monitoring Mechanism Baseline Study in Bangladesh

### A1 Inception Workshop on Trade and Transport Facilitation Performance Monitoring

26–27 November 2013, Bangkok, Thailand

#### GOVERNMENT OF BANGLADESH

**Sultan MD Iqbal**

Member (Customs Intelligence & Audit)  
National Board of Revenue, Dhaka

**Nasir Arif Mahmud**

Joint Secretary  
Ministry of Shipping

**AKM Akhter Hossain**

President  
Chittagong Customs Clearing & Forwarding Agents  
Association, Agrabad, C/A

**M. Nurul Amin**

Deputy Director (CM)  
Bangladesh Standard Testing Institute (BSTI)

**AHM Ahsan**

Trade Consultant (Deputy Secretary)  
Ministry of Commerce

**Afsarul Arifeen**

Additional Secretary  
The Federation of Bangladesh Chambers of  
Commerce and Industry (FBCCI)

#### GOVERNMENT OF BHUTAN

**Choiten Wangchuk**

Director General, Department of Public Accounts  
Ministry of Finance

**Sonam Wangchuk**

Director, Department of Trade  
Ministry of Economic Affairs

**Choyzang Tashi**

Director, Department of Revenue and Customs  
Ministry of Finance

**Karma Dorji**

Executive Director, Bhutan Agriculture and Food  
Regulatory Authority (BAFRA)  
Ministry of Agriculture and Forests

**Palden Dorjee**

General Manager  
Forwarders and Clearing Agent

**Sonam Dorji**

Business Promotion Officer  
Bhutan Chamber of Commerce and Industry

#### GOVERNMENT OF INDIA

**Devendra Kumar Singh**

Additional Director General of Foreign Trade  
Directorate General of Foreign Trade  
Ministry of Commerce and Industry

**Sunil Kumar Das**

Commissioner of Customs  
Office of the Commissioner of Customs

**N. Venkatesh**

Additional Director General  
Systems Directorate

**Prabir De**

Senior Fellow  
Research and Information System for  
Developing Countries (RIS), and  
ASEAN–India Centre

**GOVERNMENT OF NEPAL****Navaraj Dhakal**

Under Secretary  
Ministry of Commerce and Supplies

**Damber Bahadur Karki**

Under Secretary  
Ministry of Physical Planning and Transport

**Rajan Sharma**

President  
Nepal Freight Forwarders Association (NEFFA)

**Sarad Bickram Rana**

Executive Director  
Nepal Intermodal Transport Development Board

**WORLD CUSTOMS ORGANIZATION  
ASIA-PACIFIC REGIONAL OFFICE  
FOR CAPACITY BUILDING (ROCB A/P)**

**Yoshihiro Kosaka**

Head  
WCO (ROCB A/P)

**Sekhar Bonu**

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Director  
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**Parashu Ram Adhikari**

Senior Plant Protection Officer  
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**RESOURCE PERSONS****Takashi Matsumoto**

External Relations Coordinator  
Office of the Secretary General  
World Customs Organization

**Pavaran Tanmesin**

Director  
Krabi Customs House

**Sanghyup Lee**

Director  
Clearance Facilitation Section  
Seoul Main Customs  
Republic of Korea

**ASIAN DEVELOPMENT BANK****Ronald Antonio Butiong**

Principal Regional Cooperation Specialist  
SARC, South Asia Department

**Cuong Minh Nguyen**

Senior Economist (Regional Cooperation)  
SARC, South Asia Department

**Rosalind McKenzie**

Regional Cooperation Specialist  
SARC, South Asia Department

**Aileen Pangilinan**

Associate Programs Officer  
SARC, South Asia Department

**Jesusito Tranquilino**

Regional Cooperation and Integration Expert  
SARC, South Asia Department

**Linel Ann Reyes-Tayag**

Operations Assistant  
SARC, South Asia Department

**Mohammad Ehteshmaul Hoque**

National Trade Facilitation Expert–Bangladesh  
SARC, South Asia Department

**Achyut Bhandari**

National Trade Facilitation Expert–Bhutan  
SARC, South Asia Department

**Shyam Dahal**

National Trade Facilitation Expert–Nepal  
SARC, South Asia Department

**UNITED NATIONS ECONOMIC  
AND SOCIAL COMMISSION  
FOR ASIA AND THE PACIFIC**

**Yann Duval**

Chief, Trade Facilitation Unit  
Trade and Investment Division

**Tengfei Wang**

Economic Affairs Officer  
Trade Facilitation Unit  
Trade and Investment Division

**Fedor Kormilitsyn**

Economic Affairs Officer  
Transport Division

## **A2 National Workshop on Trade and Transport Facilitation Monitoring Mechanism**

28–29 April 2014, Dhaka, Bangladesh

**Md. Jamal Uddin Ahmed**

Joint Secretary, Roads Division  
Ministry of Communication

**Abdus Sattar Sheikh**

Deputy Secretary  
Ministry of Commerce

**Mohammad Khairul Alam**

Assistant Controller  
Chief Controller, Import & Export

**Md. Abdul Alim**

Assistant Commissioner  
National Board of Revenue

**Chapal Chakmay**

Assistant Commissioner  
National Board of Revenue

**Muhammad Imtiaz Hassan**

Assistant Commissioner  
National Board of Revenue

**Md. Shahinur Kabir Pavel**

Assistant Commissioner  
National Board of Revenue

**Mohammad Mahbub Hasan**

Assistant Commissioner  
National Board of Revenue

**Mohammad Mostofa Jamal Haider**

Deputy Commissioner Tax  
National Board of Revenue

**Mohammed Shaha Alam**

Assistant Commissioner Tax  
National Board of Revenue

**Md Jahangir Alam**

Assistant Commissioner Tax  
National Board of Revenue

**Md. Shaifur Rahaman**

Assistant Commissioner Tax  
National Board of Revenue

**Roksana Tarannum**

Senior Assistant Secretary  
Ministry of Environment and Forest

**Anisur Rahman**

Senior Assistant Secretary  
Ministry of Industries

**Shah Zahirul Islam**

Additional DG (Operation)  
Ministry of Railway

**Sirat Mahmuda**

Assistant Chief  
Ministry of Shipping

**Tapan Kumar Chakravorty**

Additional Secretary  
Bangladesh Land Port Authority

**Md. Maniruzzaman**

Chief Planning  
Chittagong Port Authority

**Begum Rahima Akter**

Information Officer  
Export Promotion Bureau

**Rama Dewan**

Deputy Chief  
Bangladesh Tariff Commission

**Nora Alam Siddique**

Deputy Secretary  
Economic Relations Division

**Ifrat Ara Bagom**

Deputy Secretary  
Federation of Bangladesh Chambers of  
Commerce and Industry

**Md. Sheikh Mohammad Farid**

President  
Dhaka Customs Agent Association

**Mostafa Abid Khan**

Director (Programme, Research and Policy Advocacy)

**Mohammad Abu Yusuf**

Senior Fellow

**Mohammad Farhad**

Research Fellow

**Md. Shoaib Akhtar**

Research Associate

**Seikh Ruksana Burhan**

Research Associate

**Ismat Jarin Dina**

Research Associate

**RESOURCE PERSONS****Somnuk Keretho**

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Institute for Information Technology Innovation  
Faculty of Engineering  
Kasetsart University, Thailand

**Shigeaki Katsu**

Trainer  
Customs Institute of Japan  
Ministry of Finance

**UNITED NATIONS ECONOMIC  
AND SOCIAL COMMISSION  
FOR ASIA AND THE PACIFIC****Yann Duval**

Chief  
Trade Facilitation  
Trade and Investment Division

**Tengfei Wang**

Economic Affairs Officer  
Trade Facilitation  
Trade and Investment Division



**Fedor Kormilitsyn**

Economic Affairs Officer  
Transport Facilitation and Logistics Section  
Transport Division

**ASIAN DEVELOPMENT BANK****Cuong Minh Nguyen**

Senior Economist (Regional Cooperation)  
SARC, South Asia Department

**Mashuk Hossain**

Consultant  
South Asia Department

**Jacqueline Lam**

Consultant (Trade Economist)  
South Asia Department

**A3 Trade and Transport Facilitation Monitoring Mechanism Meeting**

21 October 2015, Wuhan, People's Republic of China

**BANGLADESH****Md. Abdul Hakim**

First Secretary (Customs Modernization)  
National Board of Revenue  
Dhaka, Bangladesh

**INDIA****Zubair Riaz Kamili**

Additional Commissioner  
Customs Commissionerate  
New Delhi

**BHUTAN****Sonam Phuntsho Wangdi**

Joint Secretary  
Ministry of Economic Affairs  
Thimphu, Bhutan

**Prabir De**

Professor  
India Habitat Centre, Zone 4B, Lodhi Road  
New Delhi, India

**Dhendup**

Deputy Collector  
Regional Revenue and Customs Office  
Department of Revenue and Customs  
Phuentsholing, Bhutan

**NEPAL****Toya Narayan Gyawali**

Joint Secretary  
Ministry of Commerce and Supplies  
Kathmandu

**Kesang Yeshey**

Assistant Collector  
Regional Revenue and Customs Office  
Department of Revenue and Customs  
Phuentsholing, Bhutan

**Bishnu Prasad Paudel**

Director  
Customs Department  
Kathmandu, Nepal

**Ananta Prasad Timsina**

Customs Reform and Modernization Section  
Department of Customs  
Kathmandu, Nepal

**Sharma Rajan**

President  
Nepal Freight Forwarders Association and  
Member of Nepal Trade & Transport  
Facilitation Committee, Kathmandu, Nepal

**INTERNATIONAL TRADE CENTRE****Mohammad Saeed**

Senior Advisor on Trade Facilitation

**ASIAN DEVELOPMENT BANK****Rosalind McKenzie**

Regional Cooperation Specialist  
Regional Cooperation and Operations  
Coordination Division (SARC)  
South Asia Department

**Achyut Bhandari**

National Trade Facilitation Expert  
Independent of ADB for Bhutan  
Thimphu, Bhutan

**Mohammad Farhad**

ADB Consultant/Customs Expert  
Asian Development Bank (ADB)  
Dhaka, Bangladesh

**Sarad Bickram Rana**

National Customs Procures Expert  
Asian Development Bank (ADB)  
Kathmandu, Nepal

**Posh Pandey**

Chairman  
South Asia Watch on Trade Economics and  
Environment (SAWTEE)  
Kathmandu, Nepal

**UNITED NATIONS ECONOMIC  
AND SOCIAL COMMISSION  
FOR ASIA AND THE PACIFIC****Tengfei Wang**

Economic Affairs Officer

## **A4 Workshop for the Implementation of Trade and Transport Facilitation Monitoring Mechanism Baseline Studies**

13–15 January 2016, Bangkok, Thailand

**BANGLADESH****Md. Firoz Shah Alam**

Member (Customs: Audit, Modernisation &  
Intl. Trade)  
National Board of Revenue

**Md. Abdur Rob**

Deputy Secretary  
Ministry of Commerce

**Hasan Mohammad Tarek Rikabder**

Joint Commissioner  
Customs Excise & VAT commissionerate

**Md. Enamul Hoque**

Assistant Commissioner  
Customs Excise & Vat commissionerate

**Md. Sayeduzzaman Sayed**

Sayed Enterprise (Clearing & Forwarding Agent,  
Import and Export, and Transport) President,  
Burimari C&F Agents Association

**Md. Rezaul Karim**

C&F Agent, Freight Forwarder & Importer–Exporter  
President, Banglabandha C&F Agents Association  
Director, Panchagrah Chamber of Commerce &  
Industry

**BHUTAN****Karma Drukpa**

Regional Director  
Regional Trade and Industry Office

**Pema Wangchen**

Joint Commissioner  
Liaison and Transit Office  
Royal Bhutan Customs Office

**Tandin Wangchhen**

Joint Collector  
Customs and Excise Division  
Department of Revenue and Customs

**Deki Gyamtsho**

Deputy Collector  
Regional Revenue and Customs Office  
Department of Revenue and Customs

**Tshering Choden**

Executive Director  
Bhutan Clearing and Forwarding Agent

**INDIA****Kundan Kumar**

Superintendent  
Department of Revenue (CBEC)  
Ministry of Finance

**NEPAL****Jib Raj Koirala**

Joint Secretary  
International Trade Relations  
Ministry of Commerce & Supplies

**Mimangsa Adhikari**

Director  
Customs Reforms & Modernization Section  
Department of Customs

**Nirmal Kumar Mainali**

Customs Officer  
Birgunj Customs

**Kumar Bhattarai**

Customs Officer  
Mecha Customs Office

**Rajan Sharma**

President  
Nepal Freight Forwarders Association

**UNITED NATIONS ECONOMIC  
AND SOCIAL COMMISSION  
FOR ASIA AND THE PACIFIC****Yann Duval**

Chief, Trade Facilitation Unit  
Trade and Investment Division

**Tengfei Wang**

Economic Affairs Officer

**ASIAN DEVELOPMENT BANK****Aileen Pangilinan**

Programs Officer  
South Asia Department

**Achyut Bhandari**

ADB Consultant

**Phuntscho Wangdi**

ADB Consultant

**Posh Pandey**

ADB Consultant

**Sarad Bickam Rana**

ADB Consultant

**Prabir De**

ADB Consultant

**Mohammad Farhad**

ADB Consultant

**Leticia de Leon**

ADB Consultant

**Alona Mae Agustin**

ADB Consultant

## **A5 National Validation Workshop on Baseline Study of Trade and Transport Facilitation Monitoring Mechanism**

31 July–1 August 2016, Dhaka, Bangladesh

**Md. Firoz Shah Alam**

Member

National Board of Revenue

**Mohammad Zakir Hossain**

Joint Secretary

Ministry of Agriculture

**Nasreen Afroz**

Director

Prime Minister's Office

**Sultana Yasmin**

Deputy Secretary

Road Transport and Highways Division

**Md. Jasim Uddin Badol**

Deputy Secretary

Ministry of Industries

**Muhammad Anisur Rahman**

Bangladesh Bank

**Md. Nurul Haque**

Sonali Bank Ltd

**Md. Abdul Hakim**

First Secretary

National Board of Revenue

**Hasan Mohammad Tarek Rikabder**

Joint Commissioner

Customs, Excise and VAT, Commissionerate

Rangpur

**Sirat Mahmuda**

Senior Assistant Chief

Ministry of Shipping

**Muhammad Minhaz Uddin Pahloan**

Second Secretary

National Board of Revenue

**Anis Ahmed Ndc**

Director (Traffic)

Bangladesh Land Port Authority

**Rabeya Akter**

Senior Assistant Secretary

Economic Relations Division (ERD)

**Md. Ziaur Rahman**

Assistant Controller

Ministry of Commerce

**Manzur Ahmed**

Advisor

FBCCI

**Syed Md. Bakhtiar**

Director  
Ports & Customs  
Bangladesh Freight Forwarders Association

**Razvee Ahmed**

Assistant Commissioner  
Banglabandha LC Station

**Iftekhar Jahan**

Assistant Commissioner  
Sonamasjid LC Station

**Md. Motiar Rahman**

Assistant Commissioner  
Burimari LC Station

**Sheikh Md. Farid**

President  
Dhaka Customs Agents Association

**Mahbub Alam**

Commercial Manager  
Pran RFL Group

**Biplop Kumar Saha**

Proprietor  
M/S Pinky Enterprise  
(Exporter of plastic tableware)

**Md. Salauddin Sikder**

Assistant General Manager  
M/S Durable Plastic Ltd  
(Exporter of plastic tableware)

**Farhad Sorif**

Commercial Manager  
National Fittings and Accessories Ltd

**Md. Zahid Hossain**

Importer of lentils

**A.K.M. Murad**

Proprietor  
M/S Shoshi Traders

**Alauddin Babu**

Proprietor  
M/S Nayan International

**Ajoy Dhor**

Proprietor  
MIS Trade Syndicate

**Tengfei Wang**

Economic Affairs Officer  
UNESCAP

**Prabir De**

Researcher  
Research and Information System  
for Developing Countries (RIS), India

**Mohammad Farhad**

ADB National Consultant

**Mashuk Al Hossain**

ADB National Consultant

# Trade and Transport Facilitation Monitoring Mechanism in Bangladesh

## Baseline Study

The establishment of a Trade and Transport Facilitation Monitoring Mechanism (TTFMM) is important for a country to take stock, identify bottlenecks, and prioritize recommendations for the implementation of trade facilitation measures. A baseline study is the first step to establish TTFMM. This report reviews trade and transport procedures in Bangladesh, highlights the importance of monitoring trade and transport facilitation, and lays a foundation for future studies and establishment of long-term, sustainable TTFMM. In light of the Bangladesh, Bhutan, India, and Nepal Motor Vehicles Agreement, the report presents both the challenges and enormous opportunities for enhancing efficiency along Bangladesh, Bhutan, India, and Nepal corridors.

## About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to a large share of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

## About the United Nations Economic and Social Commission for Asia and the Pacific

ESCAP is the regional development arm of the United Nations and serves as the main economic and social development center for the United Nations in Asia and the Pacific. Its mandate is to foster cooperation between its 53 members and 9 associate members. ESCAP provides the strategic link between global and country-level programs and issues. It supports governments of countries in the region in consolidating regional positions and advocates regional approaches to meeting the region's unique socioeconomic challenges in a globalizing world. The ESCAP office is located in Bangkok, Thailand. Please visit the ESCAP website at [www.unescap.org](http://www.unescap.org) for further information.



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