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OPTIMIZING CROSS-BORDER TRADE OPERATIONS BETWEEN BANGLADESH AND INDIA

A BUSINESS NEEDS ASSESSMENT OF CUSTOMS FACILITIES AT
DHAKA AIRPORT AND THE BENAPOLE AND PETRAPOLE LAND
PORTS

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DISCLAIMER

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ACRONYMS

AMEG	USAID Asia & Middle East Economic Growth Best Practices Project
ATM	automated teller machine
BBIN MVA	Bangladesh Bhutan India Nepal Motor Vehicle Agreement
BDT	Bangladeshi Taka
BSTI	Bangladesh Standards and Testing Institution
BTFA	USAID Bangladesh Trade Facilitation Activity
CII	Confederation of Indian Industry
C&F	clearing and forwarding
CPD	Centre for Policy Dialogue
FICCI	Federation of Indian Chambers of Commerce & Industry
ICP	integrated check post
IIFT	Indian Institute of Foreign Trade
IT	information technology
LCS	land custom station
LPA	land port authority
NTB	non-tariff barrier
NTM	non-tariff measure
RMG	ready-made garments
RMS	risk management system
SANEM	South Asian Network on Economic Modeling
SPS	Sanitary and Phytosanitary Standards
TBT	technical barrier to trade
UNCTAD	United Nations Conference on Trade and Development
VAT	value-added tax

EXECUTIVE SUMMARY

Approximately 80 percent of land trade between India and Bangladesh passes through the Benapole and Petrapole land ports, making this junction one of the largest land ports in Asia by trade volume. Well functioning business operation facilities and support systems at this land port are essential to deepening connectivity between these two South Asian economic powers. In addition, the Dhaka Airport is critical to Bangladesh's international trade, with the Dhaka Customs House processing courier-based imports from India and the rest of the world. Private-sector traders complain about delays stemming from burdensome processes, inconvenient operating hours, and insufficient human resources of border agencies. Anecdotal information supplied to the USAID Bangladesh Trade Facilitation Activity (BTFA) suggests that these NTBs could be costing Bangladesh's garment industry US\$1 billion per year in lost orders. While the situation is different at Benapole-Petrapole, private-sector firms complain about similar delays resulting from, for example, operating hours that differ from the officially posted hours.

While the general challenges facing these three key Customs Houses — Benapole, Petrapole, and the Dhaka Airport — are well known, the private-sector's highest priorities are not well understood. Without specific priorities, reform efforts struggle to focus on the changes that would yield the greatest economic impact for the lowest public-sector investment. The USAID Asia & Middle East Economic Growth Best Practices Project (AMEG), in collaboration with BTFA, engaged the South Asian Network on Economic Modeling (SANEM) to assess business needs at the three aforementioned priority ports (see box).

AUTHORS OF THIS REPORT

The South Asian Network on Economic Modeling (SANEM) designed the research methodology and administered the survey that forms the foundation of this report. Specific members of SANEM's team include:

- Dr. Selim Raihan, Professor, Department of Economics, University of Dhaka, Bangladesh and Executive Director, SANEM
- Md. Nazmul Avi Hossain, Senior Research Associate, SANEM
- Md. Jahid Ebn Jalal, Research Associate, SANEM
- Md. Sadat Anowar, Research Associate, SANEM

Carried out in July 2017, SANEM surveyed 115 stakeholders to critically assess business operations for these three ports. This study sheds light on the primary areas of concern for Indian and Bangladeshi private-sector traders: roads and infrastructure, a lack of space (and need for more warehouse space), security, workforce capacity, synchronized business hours (that match official policy), increased use of technology to expedite clearances, and local rent-seeking behavior, primarily around the Benapole-Petrapole border. Moreover, the study reflects on opportunities to extend services that would enhance bi-lateral trade, such as health services, hotel and restaurant services, building private warehouses and sheds, provision of safe drinking water and sanitation, and internet access. The research team hopes the findings presented in this study help USAID, the governments of India and Bangladesh, and others design, enact, and implement improvements needed to further integrate these two South Asian leaders.

SECTION I

INTRODUCTION

A. BACKGROUND

The Benapole-Petrapole land customs station accounts for about 80 percent of land trade between India and Bangladesh. The Petrapole check post accounts for more than half of India's \$4 billion in total trade with Bangladesh, nearly double the trade volume with Pakistan. An average of 350 trucks enter into Bangladesh every day, whereas only 70-80 trucks enter into India from Bangladesh.

The Benapole land station is situated about 44 kilometers away from Jessore whereas the Petrapole land station is about 97 kilometers away from Kolkata by road and 6 km from Bongaon town in North 24 Parganas district. Jessore Road connects Kolkata (India) to Jessore city in Bangladesh, via Kalitala and Bongaon No.1 Rail Gate crossing. The distance between Kalitala crossing and the Petrapole border entry point is about 13 kilometers. The total length of the Kolkata-Dhaka corridor through Petrapole/Benapole and Jessore is 350 kilometers.

Through the Benapole-Petrapole land port, Bangladesh's major exports include: finished jute, raw-jute, metal-zinc, copper, Hilsa fish, and cloth-scrap. This port also facilitates imports from India, primarily: hardware goods, tiles-chemicals, ink-chemical, mustard oil cake, rice, onion, wheat, clothes, and motor parts.

Another important port for Bangladesh is the Dhaka Airport, which is responsible for export-import activities via air, including express courier shipments. Dhaka Airport handles a large amount of cargo, but the facilities are not yet fully automated. When shipments arrive, they often get stuck at the airport. This port is highly important for the ready-made garments (RMG) sector of Bangladesh which is one of the biggest contributors to the country's economy. In addition to normal shipments, the RMG sector depends on the timely importation of textile samples via express courier through the Dhaka Airport. When textile samples face significant delays at the Dhaka Airport, RMG companies risk losing orders to competitors in countries that are able to respond quickly to buyer requests.

Several newspaper articles indicated that almost 3,000 tons of goods get stuck every day; when backlogs get worse than this, the Government of Bangladesh must declare emergency situations so that the Dhaka Airport import unit operates for 2-3 weeks continuously to clear the backlogs. Lack of space, warehouses and low workforce efficiency contribute to the many challenges facing the Dhaka Airport.

B. RATIONALE OF THE STUDY

Although existing research sheds light on the overall constraints facing the Dhaka Airport, the Benapole Land Port, and the Petrapole Land Port, many of these problems

need deep and critical analysis to prioritize action and help stakeholders understand the effects of these barriers to trade, as well as the urgency in addressing them. After reviewing previous literature, the research team determined that several key issues need further assessment, including business operation hours, regulatory and administrative actions, use of technology, human resource capacity, service extension opportunities, scope of capacity building, and participation of multilevel public and private stakeholders. More importantly, there is a clear need to capture the point of view of the traders in order to understand the wider picture of business needs for these ports. This study aims to capture private-sector feedback on service provision needs and articulate policy recommendations port by port. The study also tries to diagnose areas for coordination between the land ports of Bangladesh and India in order to more efficiently facilitate cross-border trade.

C. OBJECTIVES OF THE STUDY

The South Asian Network on Economic Modeling (SANEM) conducted this needs assessment study of the Benapole Land Port, Petrapole Land Port, and Dhaka Airport to identify current obstacles and recommend policies to address them. This study has the following objectives:

- Analyze the existing system, timing and logistics for export-import services at Benapole and Petrapole land ports for both India and Bangladesh and for courier services at Dhaka airport
- Assess service provision facilities, workforce and working modality, and identify gaps
- Address differences among the official business operation hours, actual business operation hours in practice, and desired business operation hours by trade
- Estimate the cost of additional services or required interventions, if necessary, and address the required resources and compare with expected benefits
- Identify the scope of service extension with a probable cost estimation
- Capture challenges and opportunities for both of the custom houses (Benapole and Petrapole)

D. METHODOLOGY

DESK REVIEW

Desk review includes analyzing existing relevant literature, reports, news and other relevant sources. The study conducted the desk review simultaneously with other activities.

SURVEY

The primary research tool of this study was a survey of 100 respondents, based on random sampling, including interviews with relevant stakeholders and key informants in Bangladesh and India for the Dhaka airport and Benapole and Petrapole land ports.

STAKEHOLDER INTERVIEWS

In order to reflect the conditions on India's side, the study conducted interviews with stakeholders and key representatives from the public and private sectors, including clearing and forwarding (C&F) agencies, traders, Indian government officials, and exporters/importers.

SAMPLE SIZE DISTRIBUTION

TABLE I. DISTRIBUTION OF SAMPLE SIZE

LOCATION OF THE SURVEY AND STAKEHOLDERS' INTERVIEWS	ESTIMATED SAMPLE SIZE FOR SURVEY
Dhaka Airport	<ul style="list-style-type: none">• 5 C&F agencies/representatives• 35 Traders/ Business representatives• 10 express courier companies<ul style="list-style-type: none">○ Total in Dhaka: 50
Benapole Land Port	<ul style="list-style-type: none">• 5 C&F agencies/representatives• 35 Business representatives<ul style="list-style-type: none">○ Total in Benapole: 40
Petrapole Land Port	<ul style="list-style-type: none">• 5 Government officials from customs, transport, and land port authority• 7 representatives from relevant private and public institutes such as CII, FICCI, IIFT, etc.• 13 Traders/Business representatives in New Delhi and Kolkata who trade with Bangladesh<ul style="list-style-type: none">○ Total in Petrapole and India's Side: 25
Total Number of Stakeholders and Representatives	115

SECTION 2

CURRENT BUSINESS SITUATION

A. LAND PORTS

To understand the current business situation facing the land ports, it is important to understand the geographic landscape and focus on the most common consignment routes. Under Bangladesh Customs authority, most Bangladesh-India consignments travel along Bangladesh Highways N5, N7, N702, and N706 to the Benapole Land Port. From there, the consignment transfers to India Customs authority, through the integrated check post (ICP) where it originates at the Petrapole Land Port and travels along India Highway 112 to Kolkata. The projected road transit time is 9 hours and 50 minutes from Dhaka to Kolkata; in reality, transit takes between 12 and 13 hours due to poor road conditions. Seasonal weather changes also hamper transportation during the rainy season.

A1. BENAPOLE LAND PORT

Per a recent regulation, the Benapole Land Port is supposed to be active 24 hours a day, 7 days a week starting on August 1, 2017. However, this was not the case during this study's survey period in the month of July 2017, where the port was closed for the weekend on Fridays. Regardless, the survey results show a mismatch between official operating hours and actual operating hours and, as such, stakeholders must monitor the new 24/7 policy to ensure it is implemented effectively.

Regardless of operating hours, the Benapole Land Port faces many challenges in its existing business operations that hamper trade between Bangladesh and India. The inputs and feedback represented in this section are based on completed questionnaires and discussion with stakeholders and representatives.

TABLE 2. RESPONDENTS' SATISFACTION LEVEL WITH BENAPOLE PORT

Facility Type	% of responses regarding degree of satisfaction among respondents		
	Adequate	Unsatisfactory	Poor
Business operation hours	20	37	43
Infrastructure, Equipment, Transport and Space facilities	2.75	32.68	64.57
Infrastructure	11	33.7	55.3
Transport	5	42.5	52.5
Equipment	8.5	24.5	67
Space	6.7	20	73.3
Regulatory and Administrative Procedures	26.7	47.3	26
Digital and Advanced Technology	10	20.5	69.5

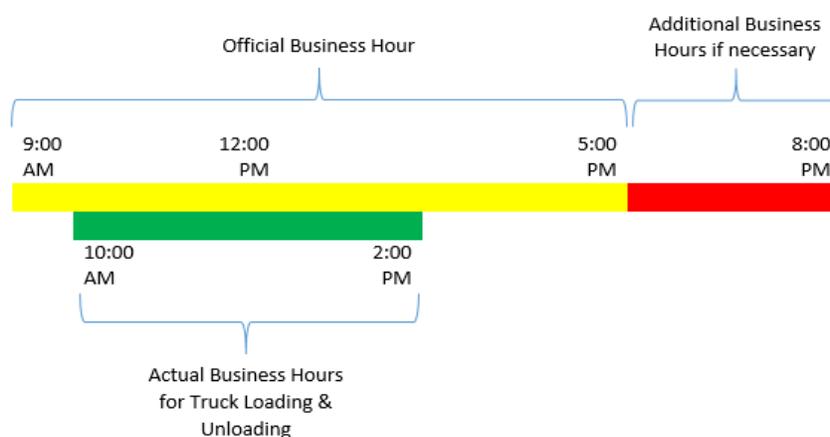
Capacity of the Workforce	22.5	47.5	30
Social and Local Conditions	13	64	23
Others	25.57	32.13	42.3
Electricity	33.3	55.6	11.1
Sanitation	17.5	17.7	64.8
Drinking Water Source	28	21.7	50.3
ATM	40.5	29	30.5
Security	12.5	34.5	53
Garage/Repairing Centre	32.5	43	24.5
Flyover	0	0	100
Hotel and Restaurants	33.3	42.7	24
Fuel Station	32.5	45	22.5

BUSINESS OPERATION HOURS

During the time of the survey, it was found that the official business operation hours at Benapole land port were six days per week, from 9 a.m. to 5 p.m. Friday is observed as the weekend. However, there is a difference between official/documented working hours, and actual or effective business operation hours. In practice, work starts at 10 a.m., and after 2 p.m., no trucks or consignments are unloaded or released. Thus, the actual working hours in practice are from 10 a.m. to 2 p.m. Furthermore, few official tasks related to documentation take place after 2 p.m.

Therefore, the effective/actual working hours do not exceed 4 hours per day, which is a major constraint in facilitating trade between the two countries through this land port. Figure 1 below illustrates the official versus actual hours of operation.

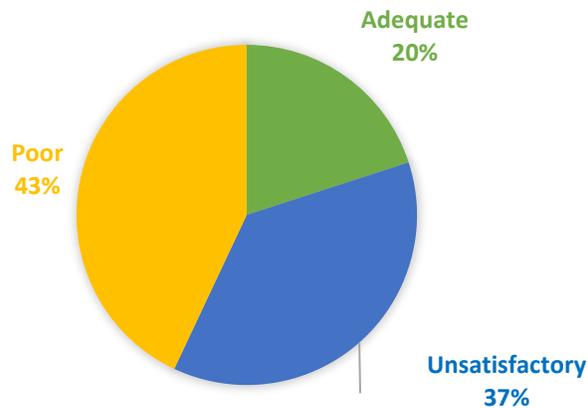
FIGURE 1. BUSINESS OPERATION HOURS AT BENAPOLE



Source: SANEM survey, 2017

Figure 2 demonstrates respondents' satisfaction with business operation hours; only 20 percent of survey respondents found the current business operation hours adequate.

FIGURE 1. BUSINESS OPERATION HOURS SATISFACTION AT BENAPOLE



Source: SANEM survey, 2017

INFRASTRUCTURE, EQUIPMENT, TRANSPORT AND SPACE FACILITIES

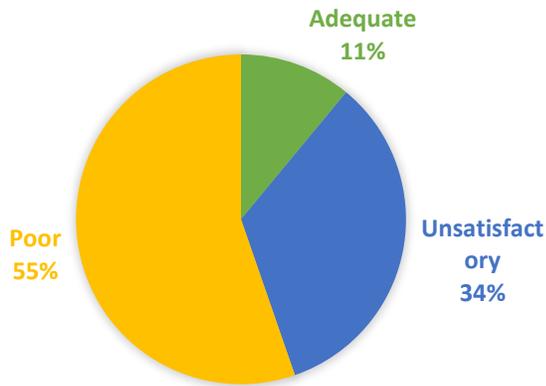
Although trade through the Benapole port has been progressively increasing, growth has been hampered by several factors:

- Storage capacity at Benapole is around 40,000 metric tons (MT) at a time, significantly lower than demand. Around 100,000 MT of products are stored in warehouses situated in nearby localities; due to space limitations, trucks are often kept in open spaces and even consignments are stored in open spaces, without cover or protection.
- Every day, an average of 325-350 trucks enter Bangladesh, whereas approximately 1,500 trucks wait at Petrapole at the ICP and 3,500 trucks at Bongaon wait to enter daily.
- At present, there are 40-43 sheds which are very old, poorly structured, and mud-covered. Sheds have been placed on both sides of the road, which is one of the main reasons for traffic jams at the port. Each shed has only one gateway which has been used for both entry and exit of vehicles.
- The roads are narrow and full of common transport vehicles which hinder the passage of trucks with consignments. During the rainy season, this situation worsens.
- Truck load capacities are not standardized on both sides of the border; for example, the load of one Indian truck is equivalent to the loads of two

Bangladeshi trucks, which leads to delays in loading and unloading the consignments.

Therefore, it is clear from the aforementioned findings that in the existing business conditions the infrastructure, roads, and transports are not in a satisfactory condition to optimize the businesses between the two nations through this ports. Figure 3 shows respondents' satisfaction with infrastructure at the Benapole Land Port, with only 11 percent finding it adequate.

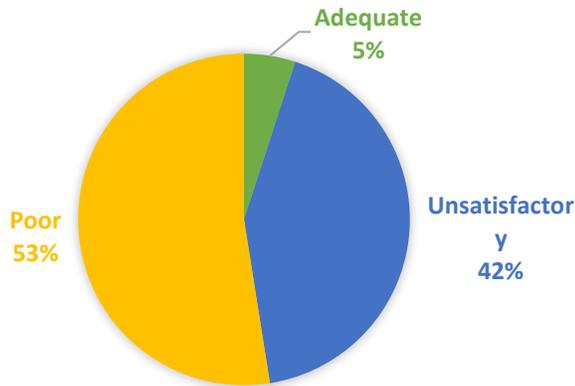
FIGURE 2. INFRASTRUCTURE SATISFACTION AT BENAPOLE



Source: SANEM survey, 2017

Figure 4 shows respondents' satisfaction levels with transportation facilities at the Benapole land port. Of the available transportation facilities at the port, only 5 percent of respondents found it adequate.

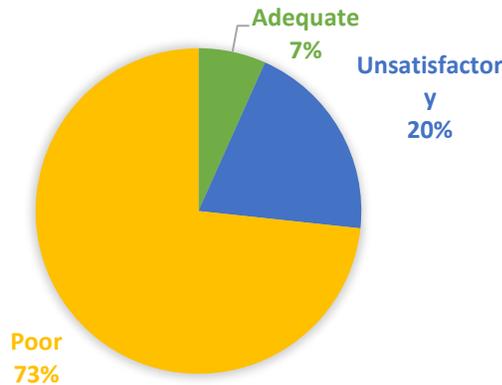
FIGURE 3. TRANSPORTATION SATISFACTION AT BENAPOLE



Source: SANEM survey, 2017

Figure 5 illustrates respondents' satisfaction with the space facilities at the Benapole land port; only 7 percent found them adequate.

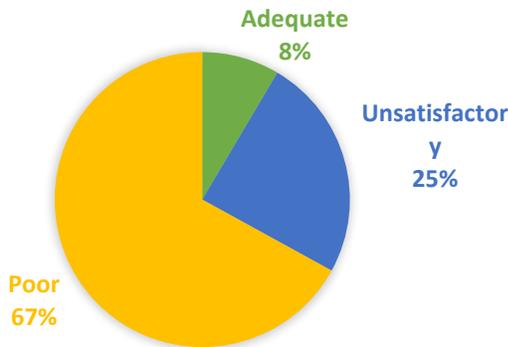
FIGURE 4. SPACE SATISFACTION AT BENAPOLE



Source: SANEM survey, 2017

Figure 6 shows respondents' satisfaction level with existing equipment facilities at the Benapole land port; only 8 percent found them adequate.

FIGURE 5. EQUIPMENT SATISFACTION AT BENAPOLE



Source: SANEM survey, 2017

REGULATORY AND ADMINISTRATIVE PROCEDURES

Importing food items from India into Bangladesh is a cumbersome process. Importers must obtain a pre-shipment certificate from the Bangladesh Standards and Testing Institution (BSTI), which is far away from the Benapole port and often makes the procedure extremely time-consuming. In addition, obtaining the sample test report from BSTI takes around 15-20 days, and traders must pay around BDT 2,000/day in vehicle charges at the port. Furthermore, BSTI lacks adequate infrastructure and technical facilities, and faces administrative and implementation problems.

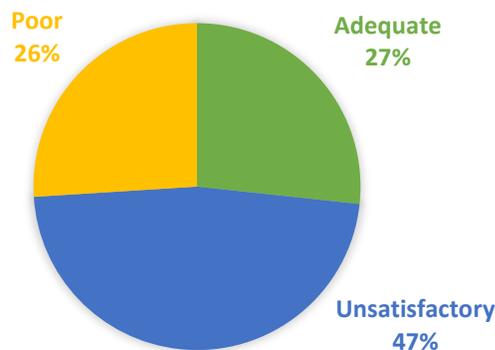
With fish and poultry feed, Bangladesh requires Indian exporters to provide certificates regarding the content of cesium 137, cloranfenicol, nitrofurans, antibiotics, and melamine as per section 17 of the import law. However, Bangladesh customs often rejects these certificates issued by the relevant Indian authority and, therefore, such consignments are subject to repeat tests in Bangladesh.

Similarly, imported industrial types of machinery and raw materials need an installation certificate from the Bangladesh University of Engineering and Technology, which costs around BDT 500,000. Traders and C&F agents have suggested this installation certificate could be issued by the factory's regional value-added tax (VAT) division, or regional engineering universities (e.g. Khulna University of Engineering & Technology, Jessore Science and Technology University, Shahjalal University of Science & Technology, etc.).

There are also gaps with the valuation of the imported products. The price of the same product can be varied by the brand, model, and quality. Because customs does not have proper valuation data sets, traders are sometimes forced to pay customs duties which distorts the market price.

Figure 7 shows the level of satisfaction with regulatory and administrative procedures at the Benapole land port; only 27 percent of survey respondents found them adequate. Most stakeholders — customs, land port authority, C&F agents, and traders — have demanded a permanent regional BSTI office to improve efficiency and cost effectiveness.

FIGURE 6. SATISFACTION WITH REGULATORY AND ADMINISTRATIVE PROCEDURES AT BENAPOLE



Source: SANEM survey, 2017

UTILIZATION OF DIGITAL AND ADVANCED TECHNOLOGIES

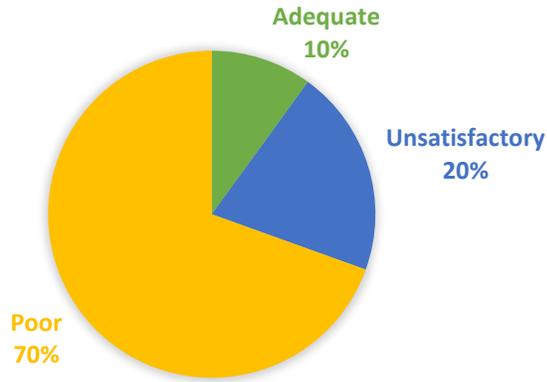
According to those interviewed, most operations at the Benapole port have been manual. For example:

- One customs officer can manually clear 25 to 30 entry bills every day; if automated, this could increase to 40-45 per day.
- Currently, the port requires two weighbridges and one scanner.
- The Government of Bangladesh has already bought lab testing equipment, but the lab still need to be digitalized.
- An integrated risk management system (RMS) is required so customs officials can monitor security issues efficiently and rigorously, without causing delays.

- Internet service facilities are insufficient.

Figure 8 shows respondents' satisfaction levels with digital and advanced technology at the Benapole land port; only 10 percent found them adequate.

FIGURE 7: DIGITAL AND ADVANCED TECHNOLOGY SATISFACTION AT BENAPOLE



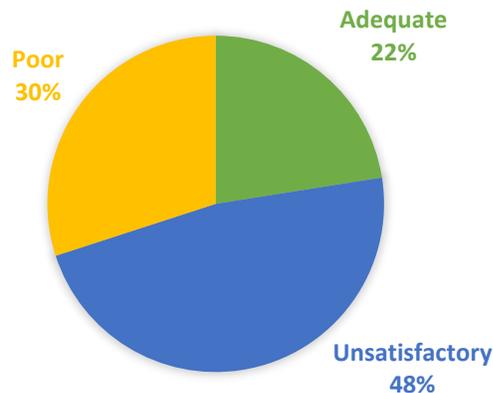
Source: SANEM survey, 2017

WORKFORCE CAPACITY

Survey respondents felt that in order to simply maintain existing conditions at Benapole, digitalization and at least a 30 percent increase in the labor force were needed immediately. However, when considering future demand, an increase of 70 percent is required. In sum, current customs capacity at Benapole is only one-third of what it should be to meet future demand. Moreover, the existing workforce needs to be trained on using and utilizing advanced technology and digital systems to optimize business operations between these two ports.

Figure 9 shows the level of satisfaction with workforce capacity at the Benapole land port; only 22 percent of respondents found it was adequate.

FIGURE 8: SATISFACTION WITH CAPACITY OF THE WORKFORCE AT BENAPOLE LAND PORT



Source: SANEM survey, 2017

SOCIAL AND LOCAL CONDITIONS

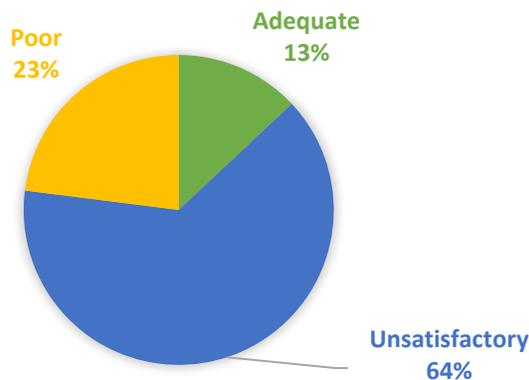
This study revealed that there exist major social and local impediments at the Benapole land port which are responsible for delays and inefficient business operations. These constraints are associated with the vested interests of local political personnel and businessmen. The business of private warehouses, the extra earning from the delay, coordination between the root level workforces regarding business operation hours and many more social interventions are affecting trade and business growth through Benapole Port.

Because businesses make profits from private warehouses, it is in their interest to keep trucks waiting and consignments stored in the warehouses for weeks. The longer the consignments are kept in the warehouses, the greater the profits are for local related actors.

Moreover, large Bangladeshi traders/importers of motor vehicles deliberately keep their consignments in the Benapole land port's warehouses for long periods of time — in order to avoid the higher rent costs in Dhaka or their business destination — until they find buyers for their products. These big traders/importers only take their consignments to the business destination once they receive orders from buyers. In essence, it is a commission-based business practice where everybody earns their own share by delaying the delivery process.

Figure 10 illustrates the satisfaction level with current social and local conditions at the Benapole land port. Only 13 percent of respondents found them to be adequate.

FIGURE 9. SATISFACTION WITH SOCIAL AND LOCAL CONDITIONS AT BENAPOLE LAND PORT

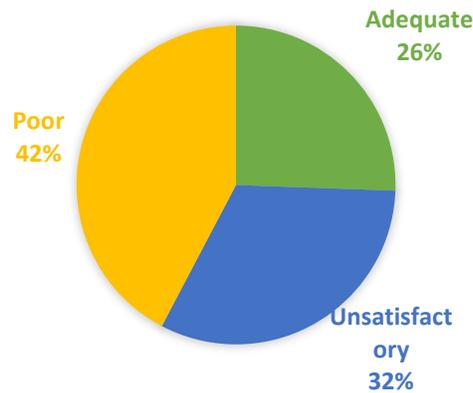


Source: SANEM survey, 2017

OTHER FACTORS

Many other cross-cutting factors influence the overall business environment of this land port, such as electricity, sanitation, ATM, drinking water etc. Figure 11 shows the level of satisfaction with other existing facilities at the Benapole land port; 26 percent of survey respondents found them to be adequate.

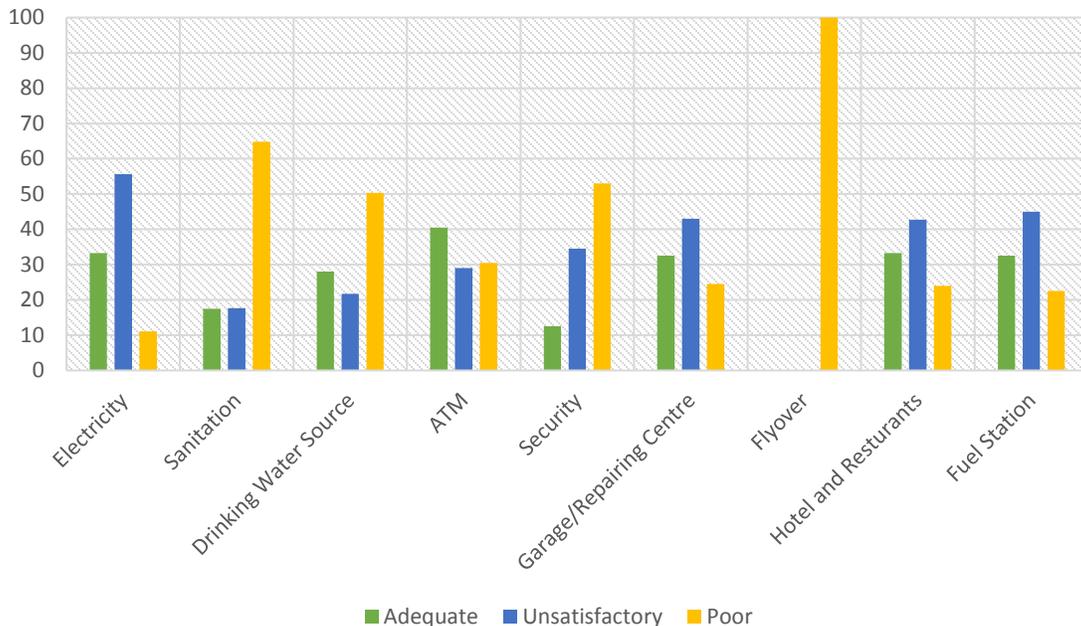
FIGURE 10. SATISFACTION WITH OTHER FACILITIES AT BENAPOLE LAND PORT



Source: SANEM survey, 2017

Figure 12 shows the breakdown of different components of other available facilities at the Benapole land port. All respondents answered ‘poor’ for flyover as there is no flyover in that region. Respondents also answered that sanitation facilities, drinking water sources, and security are quite poor in this port. Satisfaction levels were mixed regarding hotels and restaurants, fuel stations, and ATMs.

FIGURE 11: SATISFACTION WITH DIFFERENT OTHER FACILITIES AT BENAPOLE LAND PORT



Source: SANEM survey, 2017

A2. PETRAPOLE LAND PORT

Petrapole tops the list of land custom stations (LCSs) in West Bengal in terms of export-import volume. The Petrapole LCS is nearly 97 km from Kolkata by road and 6

km from Bongaon in North 24 Parganas district. Jessore Road connects Kolkata in India to Jessore City in Bangladesh via Kalitala and Bongaon number one rail gate crossing. The distance between Kalitala crossing and the Petrapole border entry point is about 13 km. From the places of origin (i.e. Punjab, Gujrat etc.) the trucks arrive at Bongaon in 5 to 7 days on an average by crossing 3,000 to 3,500 km.

After reaching Bongaon, the struggle begins. It takes on an average 17 days for a truck to reach Benapole which is approximately 10 to 12 km from Bongaon through an ICP. The cost of these 17 days is huge, and in many cases, greater than the costs prior to reaching Bongaon. Usually there are around 3,500 trucks waiting to get cleared; of those, 1,500 trucks are waiting at the Petrapole ICP and the other 2,000 at Bongaon and nearby, privately-owned warehouses under the Bongaon Municipality.

Table 3 reflects respondents' satisfaction levels with the different facilities at the Petrapole land port.

TABLE 3: SATISFACTION LEVEL OF DIFFERENT FACILITIES AT PETRAPOLE LAND PORT

<i>Facility Type</i>	<i>% of responses regarding degree of satisfaction among respondents</i>		
	<i>Adequate</i>	<i>Unsatisfactory</i>	<i>Poor</i>
<i>Business operation hours</i>	17.5	36	46.5
<i>Infrastructure, Equipment, Transport and Space facilities</i>	43.125	36.85	20.025
Infrastructure	22	47	31
Transport	42.8	36	21.2
Equipment	36.6	48	15.4
Space	71.1	16.4	12.5
<i>Regulatory and Administrative Procedures</i>	26.6	45.7	27.7
<i>Digital and Advanced Technology</i>	22	44.7	33.3
<i>Capacity of the Workforce</i>	12.5	40.5	47
<i>Social and Local Conditions</i>	8.8	26.2	65
<i>Others</i>	40.875	51.6125	7.5125
Electricity	38.8	60.2	1
Sanitation	38.5	51	10.5
Drinking Water Source	36.7	42.3	21
ATM	38.4	59.5	2.1
Security	32.5	47.5	20
Garage/Repairing Centre	41.1	53.4	5.5
Hotel and Restaurants	67.7	32.3	0
Fuel Station	33.3	66.7	0

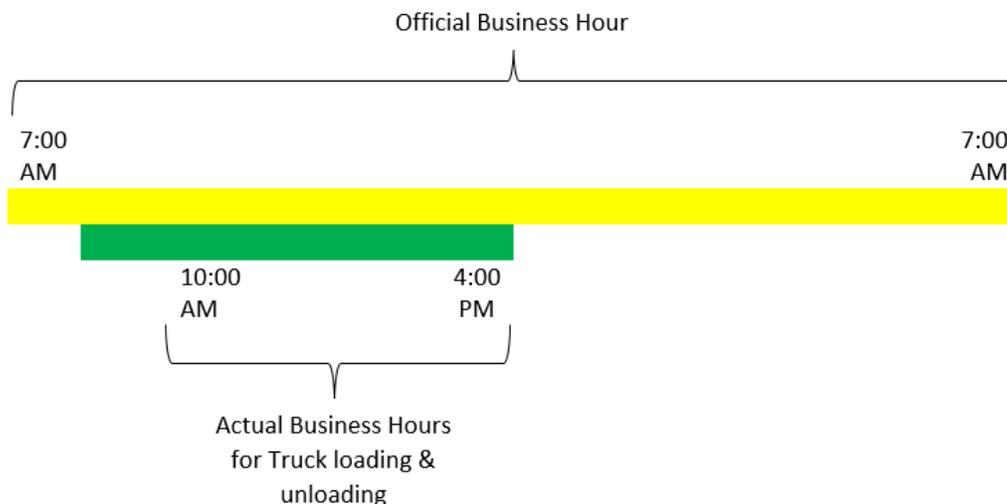
Source: SANEM survey, 2017

BUSINESS OPERATION HOURS

Over the course of this survey, the Petrapole land port had official operating hours of 24 hours per day, 7 days per week; however, due to a weekend at the Benapole land port, the Petrapole land port also closed on Fridays. Also, the actual working hours are 9 a.m. to 5 p.m. However, in practice, the activities regarding the loading and unloading start from 10 a.m. and continue through 4 p.m., subject to the conditions of remaining workloads for that particular day. The central customs authority is trying to make the land port functional for 24/7. The mismatch of working hours during Fridays creates banking and transaction problems for traders, since banks are closed on Fridays.

This study found there is a lack of synergy in business operation hours between Benapole and Petrapole. However, survey respondents in Petrapole were confident that if Benapole land port starts functioning for 24/7 and improves its efficiency, they are ready to optimize their operations too. Figure 13 illustrates the official and actual business operation hours at the Petrapole land port.

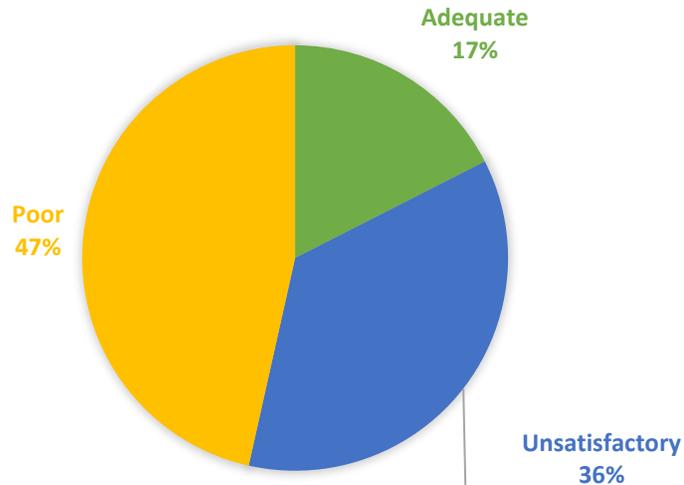
FIGURE 13. BUSINESS OPERATION HOURS AT PETRAPOLE LAND PORT



Source: SANEM survey, 2017

Figure 14 shows satisfaction levels with business operation hours at Petrapole land port; only 17 percent of respondents found current operation hours to be adequate.

FIGURE 14. SATISFACTION WITH BUSINESS OPERATION HOURS AT PETRAPOLE



Source: SANEM survey, 2017

INFRASTRUCTURE, EQUIPMENT, TRANSPORT AND SPACE FACILITIES

According to respondents, the existing infrastructure is not optimally used by Indian customs, land port authorities, and ICP at Petrapole. However, there is a tremendous scope to improve the existing infrastructure, and the budget — along with private sector investment — needs to be allocated to improve the overall scenario.

There is a demand to improve the roads and widen them. For example, Jessore Road has four lanes, but they are open to all export-import transporters, common passengers, and local vehicles. A dedicated separate road for trade purposes could dramatically improve trade efficiency.

There are many modes of transport which are not fit to carry consignments and cross a long route from their starting point through ICP towards Benapole. These unfit vehicles create a delay in the parking stations. There are four warehouses at the ICP, whereas more than 3,000 trucks wait in private warehouses. Hence, it is important to have more warehouses at ICP.

Figure 15 shows satisfaction levels with available infrastructure at the Petrapole land port; only 22 percent of respondents thought it was adequate.

FIGURE 15. INFRASTRUCTURE SATISFACTION AT PETRAPOLE

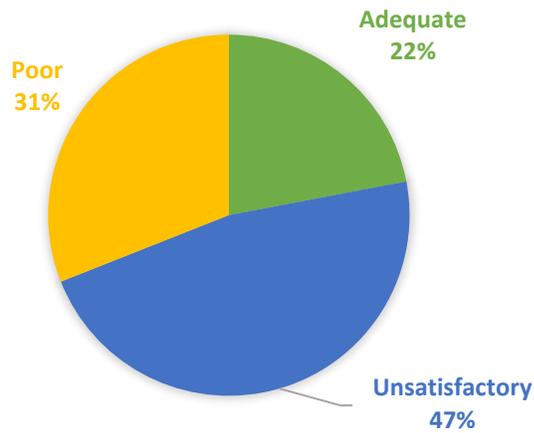
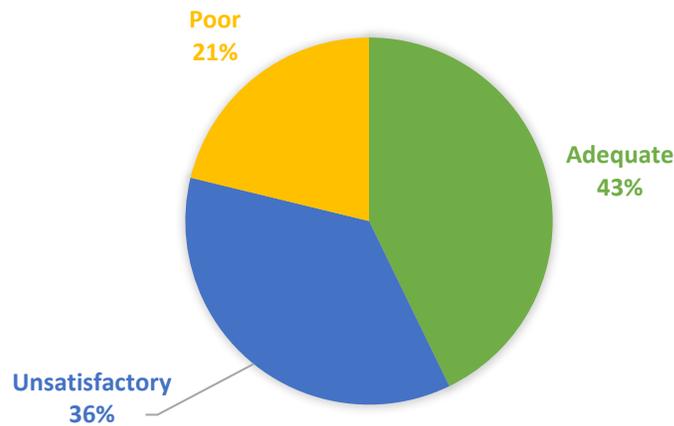


Figure 16 shows respondents' satisfaction with transportation facilities at the land port; 43 percent found it adequate.

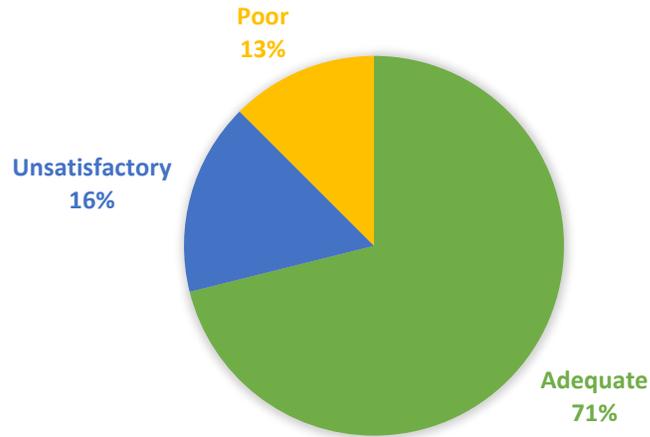
FIGURE 16. TRANSPORTATION FACILITIES SATISFACTION AT PETRAPOLE



Source: SANEM survey, 2017

Figure 17 illustrates the satisfaction with available space facilities at Petrapole land port; 71 percent of survey respondents found it adequate.

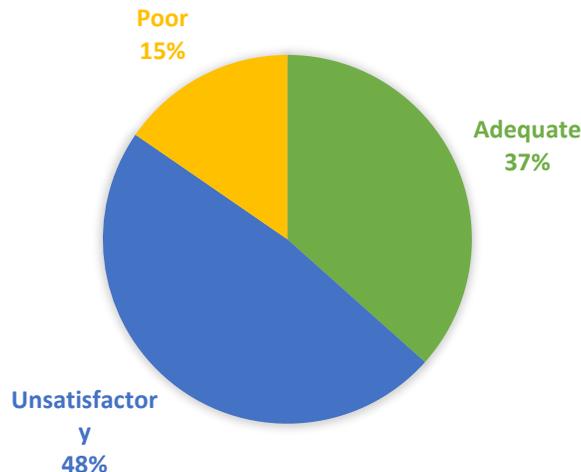
FIGURE 17. SPACE SATISFACTION AT PETRAPOLE



Source: SANEM survey, 2017

Figure 18 shows respondents' satisfaction with existing equipment facilities at Petrapole land port; 37 percent found it adequate.

FIGURE 18. EQUIPMENT SATISFACTION AT PETRAPOLE



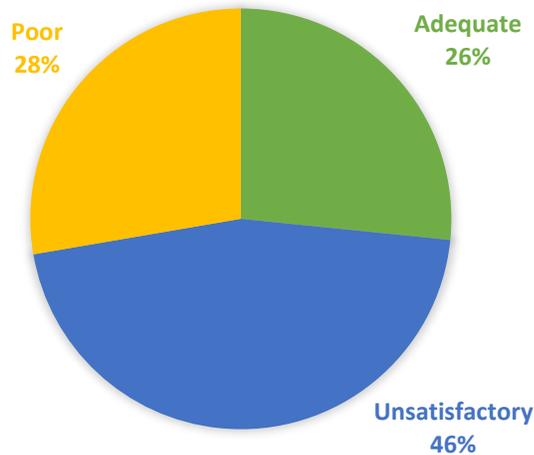
Source: SANEM survey, 2017

REGULATORY AND ADMINISTRATIVE PROCEDURES

Petrapole does not currently face major constraints with regulatory and administrative processes. However, for many important interventions, ICP often has to wait for decisions from Kolkata or Delhi. This dependency on the central authority creates a regulatory and legislative delay in reducing constraints.

Figure 19 shows the level of satisfaction with regulatory and administrative procedures at the Petrapole land port. Only 26 percent of respondents found them adequate.

FIGURE 19: SATISFACTION WITH REGULATORY AND ADMINISTRATIVE PROCEDURES AT PETRAPOLE



Source: SANEM survey, 2017

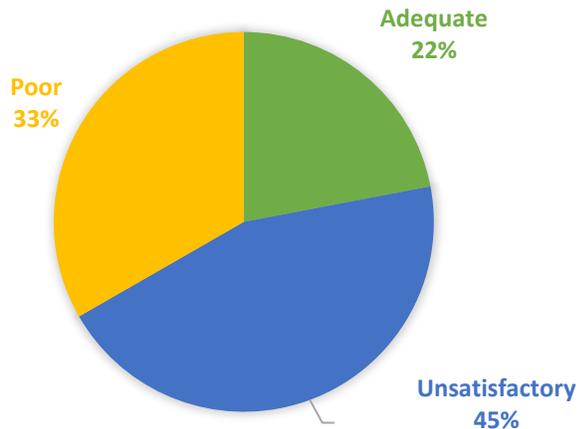
UTILIZATION OF DIGITAL AND ADVANCED TECHNOLOGIES

There is currently an advanced and integrated RMS in place at the ICP, which is connected to Mumbai. Per a rough estimation by the officials and respondents, the RMS is being implemented successfully at 35 percent efficiency level in all the land ports of India. It is not clear from this ad hoc estimation what needs to be done to improve the efficiency of the RMS. At Petrapole, however, the percentage is lower than 20 percent. The target is to improve it up to 90 percent efficiency level.

At the ICP, the existing RMS checks for 10-20 percent of the sample of the products of one cargo or truck from the whole consignment and from the whole consignment only 20 percent trucks are checked through RMS. For, instance if an importer is importing a consignment of 10 trucks of products, analyzing that importer's previous history, profile, and types of products the ICP will check two trucks from the whole consignment and in each truck about 10-20 of the products/boxes will be checked through the RMS. In the existing system, there is a demand for orienting the ICP towards advanced digitized methods and technologies to improve the business environment. However, internet access and performance is inadequate.

Figure 20 shows the level of satisfaction with digital and advanced technology at Petrapole land port; 22 percent of respondents found it adequate.

FIGURE 20. DIGITAL AND ADVANCED TECHNOLOGY SATISFACTION AT PETRAPOLE



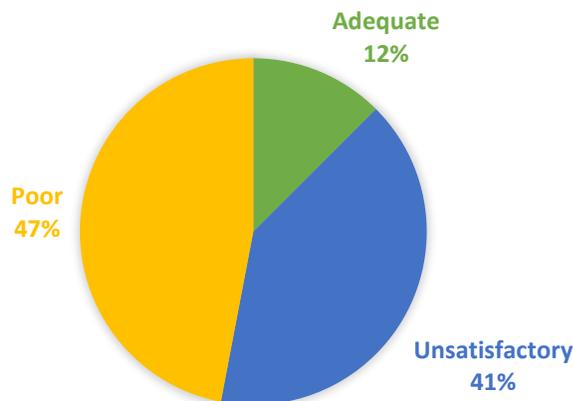
Source: SANEM survey, 2017

WORKFORCE CAPACITY

The survey found that the existing workforce is sufficient to execute the operational duties at Petrapole ICP. However, it is important to train and orient that workforce in utilizing advanced technology and tools, especially since a large part of the workforce is still more comfortable with manual operations. To derive the greatest benefit from the RMS, the workforce needs increased capacity to use the RMS and its technology appropriately.

Figure 21 shows the level of satisfaction with the capacity of the workforce at Petrapole land port; only 12 percent of survey respondents found it adequate.

FIGURE 21. WORKFORCE CAPACITY SATISFACTION AT PETRAPOLE



Source: SANEM survey, 2017

SOCIAL AND LOCAL CONDITIONS

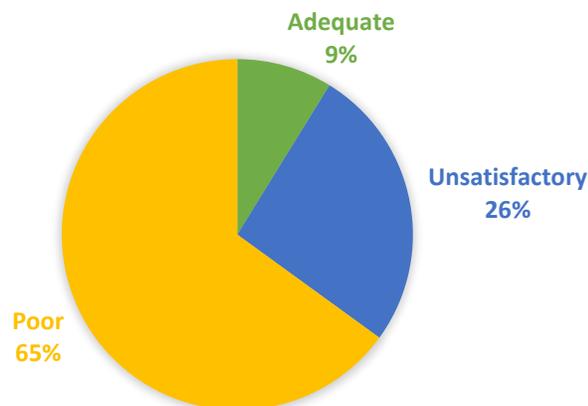
Local residents, political leaders, and businessmen have created some major impediments to the business environment at Petrapole. For instance, there are many locally-owned, private warehouses at Bongaon, only a few kilometers from the ICP. With support from local politicians, the owners of these warehouses take advantage of the congestion at ICP and Bongaon, often making it compulsory to park consignments at their warehouses. Even when shipments are capable of going straight to ICP, often they are forced to be placed at Bongaon warehouses for days. Otherwise, they are not allowed to go to the ICP directly without parking the trucks in those parking stops. There are also public warehouses that are mandatory in such municipalities as Kalitala. These examples illustrate how the congestion is benefiting vested interests at Petrapole.

Strong worker unions often put pressure on and have negotiating power over customs authorities. Most of the issues raised by the workers' unions are directly related to working and operational hours. Moreover, the workers of the two land ports are strongly connected, often collaborating on deciding weekends, holidays and vacations.

Bongaon municipality is highly interlinked with the corruption of delaying the whole operations. Many officials, as well as political leaders, are interconnected in this sorts of collaboration in profiting from delays at the border.

Figure 22 illustrates survey respondents' satisfaction level with social and local conditions at the Petrapole land port, with only 9 percent finding them adequate.

FIGURE 22. SATISFACTION WITH SOCIAL AND LOCAL CONDITIONS AT PETRAPOLE



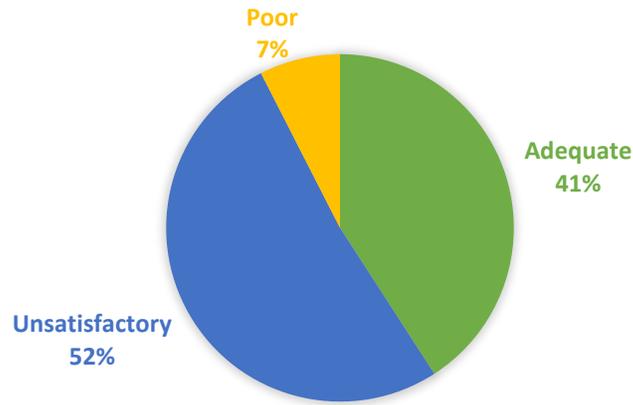
Source: SANEM survey, 2017

OTHER COMPONENTS RELATED TO EXISTING BUSINESS CONDITIONS

Additional factors significantly influence the existing business atmosphere at the Petrapole land port, including: electricity, sanitation, ATMs, and drinking water.

Figure 23 shows the level of satisfaction with other existing facilities at the Petrapole land port; 41 percent of respondents found them to be adequate.

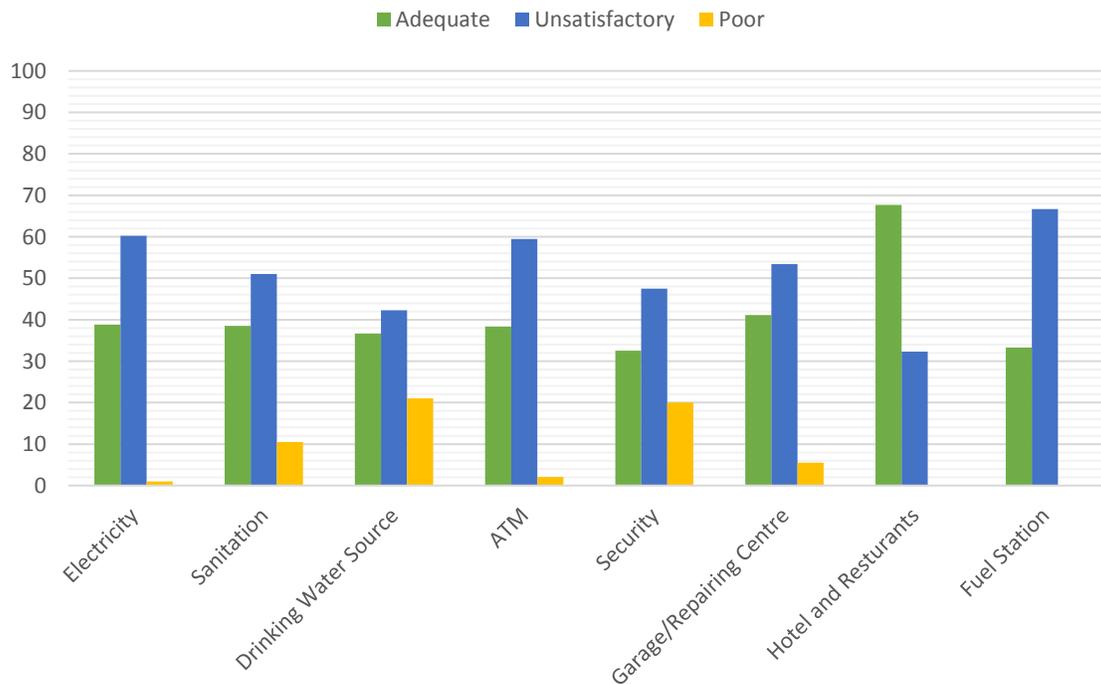
FIGURE 23. SATISFACTION WITH OTHER FACILITIES AT PETRAPOLE



Source: SANEM survey, 2017

Figure 24 shows the breakdown of different components of other available facilities at the Petrapole land port.

FIGURE 24. SATISFACTION WITH OTHER FACILITIES AT PETRAPOLE LAND PORT



Source: SANEM survey, 2017

B. DHAKA AIRPORT

Dhaka Airport is important for exports and imports via air cargo. Dhaka Airport lacks many basic facilities, and in most cases, significant improvements are needed. Table 4 shows respondents' satisfaction levels with different facilities currently at the Dhaka Airport.

TABLE 4. SATISFACTION LEVEL WITH DIFFERENT FACILITIES AT DHAKA AIRPORT

Facility Type	% of responses regarding degree of satisfaction among respondents		
	Adequate	Unsatisfactory	Poor
<i>Business operation hours</i>	17.5	36	46.5
<i>Infrastructure, Equipment, Transport and Space facilities</i>	17.2	41.4	41.4
Infrastructure	14.6	37	48.4
Transport	21	37.8	41.2
Equipment	15.4	53	31.6
Space	17.8	37.8	44.4
<i>Regulatory and Administrative Procedures</i>	18.5	43.7	37.8
<i>Digital and Advanced Technology</i>	9.6	15.4	75
<i>Capacity of the Workforce</i>	8.5	38.8	52.7
<i>Social and Local Conditions</i>	26.2	54.8	29
<i>Other</i>	40.03	50.19	9.78
Electricity	41.8	58.2	0
Sanitation	48.6	51.4	0
Drinking Water Source	28	42.3	29.7
ATM	36.3	63.7	0
Security	14.8	36.6	48.6
Garage/ Repairing Centre	44.8	55.2	0
Hotel and Restaurants	73.5	26.5	0
Fuel Station	32.4	67.6	0

Source: SANEM survey, 2017

BUSINESS OPERATION HOURS

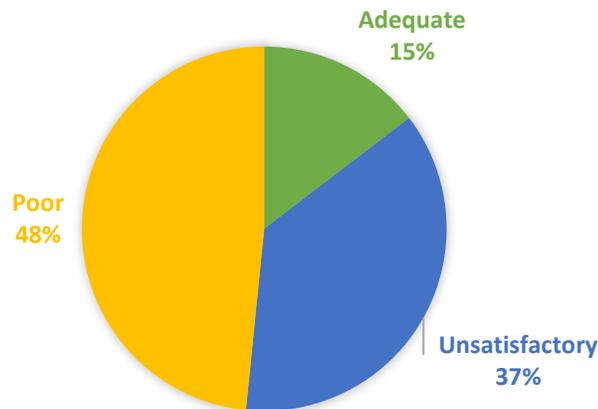
There is a big difference between official working hours and actual (effective) working hours at the Dhaka Airport. In fact, the official operation hours varies for export and import. In terms of export, officially the operational hours is functional 24/7, from 7 a.m.

INFRASTRUCTURE, EQUIPMENT, TRANSPORT AND SPACE FACILITIES

According to respondents, the existing infrastructure for the customs house at the Dhaka Airport is not optimal. For example, containers are kept in open spaces, and there are not enough sheds and warehouses. The requirement for new warehouses, sufficient sheds, and incorporation of advanced equipment to carry the containers were also observed during the study. Tremendous improvements are needed to the existing infrastructure, and the budget — with financial support from the private sector — needs to be allocated to improve the overall scenario.

Figure 27 shows satisfaction with infrastructure at the Dhaka airport, with 15 percent of those surveyed describing it as adequate.

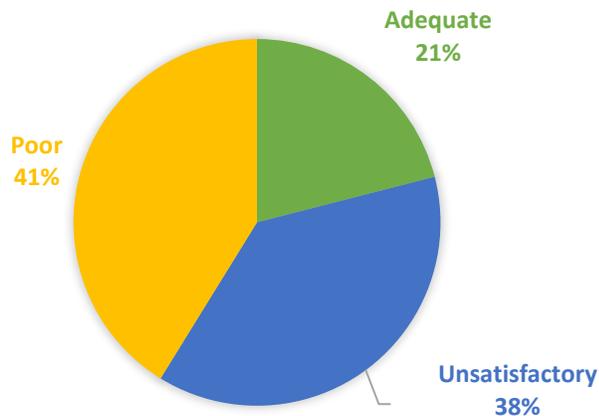
FIGURE 27. SATISFACTION WITH INFRASTRUCTURE AT DHAKA AIRPORT



Source: SANEM survey, 2017

Figure 28 shows satisfaction with transportation facilities at the airport; 21 percent of respondents found it adequate.

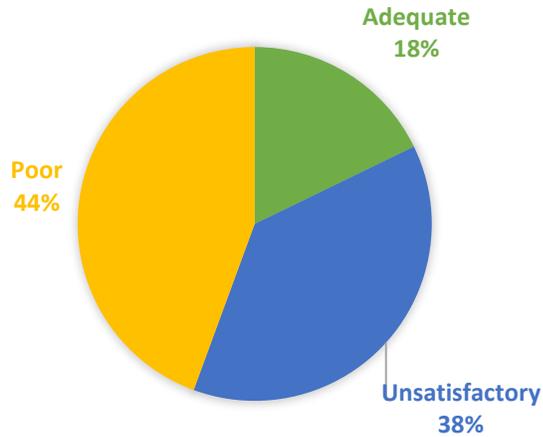
FIGURE 28. SATISFACTION WITH TRANSPORT AT DHAKA AIRPORT



Source: SANEM survey, 2017

Figure 29 demonstrates satisfaction with space facilities at the airport; 18 percent responded that they were adequate.

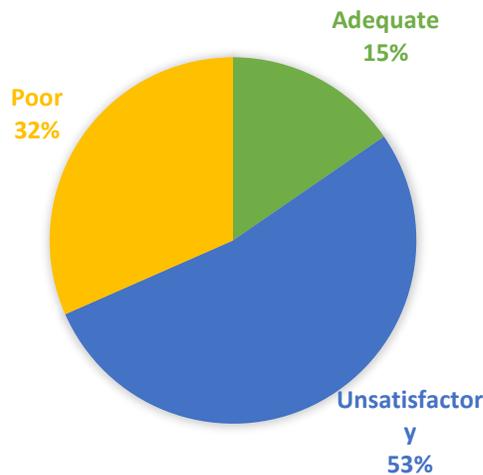
FIGURE 29. SATISFACTION WITH SPACE AT DHAKA AIRPORT



Source: SANEM survey, 2017

Figure 30 shows the satisfaction level with existing equipment facilities at the airport. Only 15 percent of respondents found them adequate.

FIGURE 30. SATISFACTION WITH EQUIPMENT AT DHAKA AIRPORT

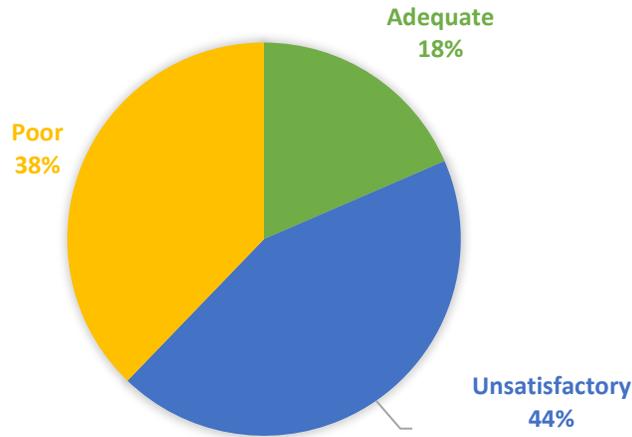


Source: SANEM survey, 2017

REGULATORY AND ADMINISTRATIVE PROCEDURES

The study observed that the custom house in the Dhaka Airport had huge piles of paperwork and time management issues; record keeping and tracking needs to be digitally optimized to improve procedure speeds. Figure 31 shows the level of satisfaction with regulatory and administrative procedures at the Dhaka airport; 19 percent found them adequate.

FIGURE 31. SATISFACTION WITH REGULATORY AND ADMINISTRATIVE PROCEDURES AT DHAKA AIRPORT

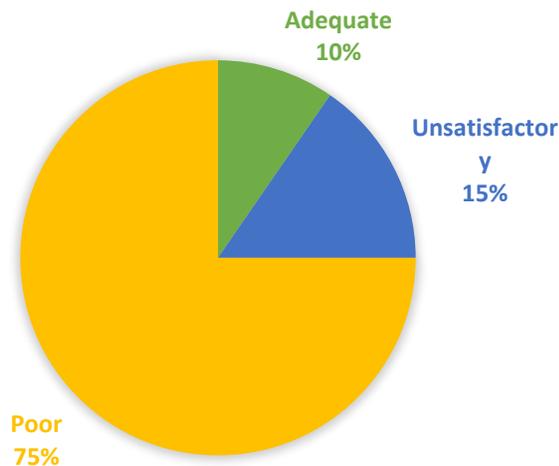


Source: SANEM survey, 2017

UTILIZATION OF DIGITAL AND ADVANCED TECHNOLOGIES

As previously mentioned, the Custom House at the Dhaka Airport mainly handles all its documentation, record keeping, and tracking using manual, paper-based systems. There is no integrated IT system nor advanced digitalization, and internet service is sometimes poor and interrupted. Introducing computerized facilities in documentation, tracking, internal and external communication and security — which presently depends mainly on manual interventions — is a must. Figure 32 exhibits the level of satisfaction with digital and advanced technology at the airport.

FIGURE 32. SATISFACTION WITH UTILIZATION OF DIGITAL AND ADVANCED TECHNOLOGIES AT DHAKA AIRPORT



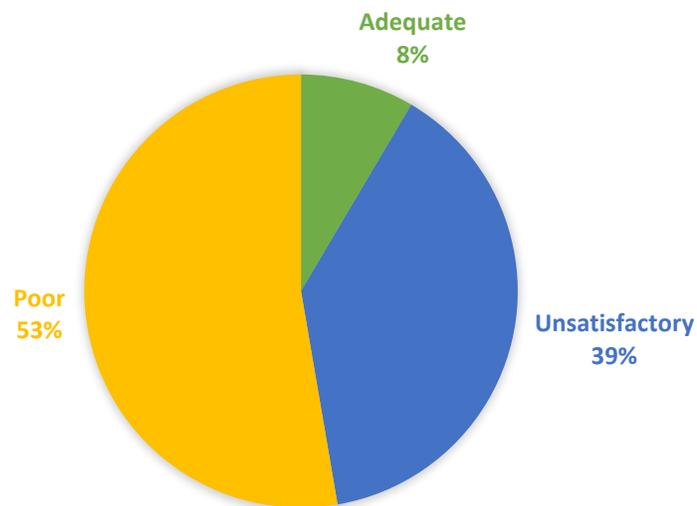
Source: SANEM survey, 2017

WORKFORCE CAPACITY

The survey found that the existing workforce is sufficient to execute the operational duties at Dhaka Airport. However, it is important to train and orient that workforce in utilizing advanced technology and tools, especially since a large part of the workforce is most comfortable with manual operations. Therefore, capacity building of the workforce through training and organizing workshops is required, and implementing an integrated security system should be prioritized.

Figure 33 shows respondents' satisfaction with workforce capacity at the Dhaka Airport; 9 percent found it adequate.

FIGURE 33. SATISFACTION WITH WORKFORCE CAPACITY AT DHAKA AIRPORT



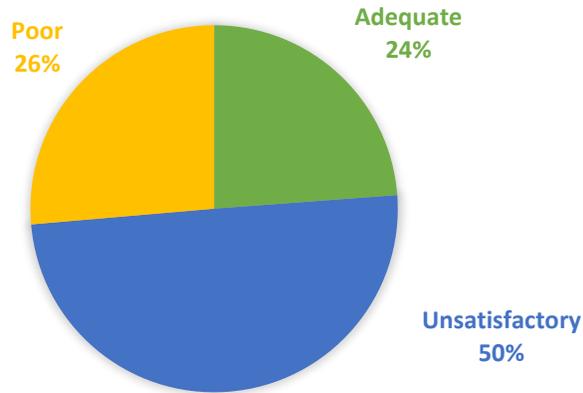
Source: SANEM survey, 2017

SOCIAL AND LOCAL CONDITIONS

Traders face an unfriendly business environment at the customs section of the airport because preferential treatment is given to those with political connections, including political leaders and businessmen.

Figure 34 illustrates the satisfaction level with social and local conditions at Dhaka airport; 24 percent found conditions adequate.

FIGURE 34. SATISFACTION WITH SOCIAL & LOCAL CONDITIONS AT DHAKA AIRPORT

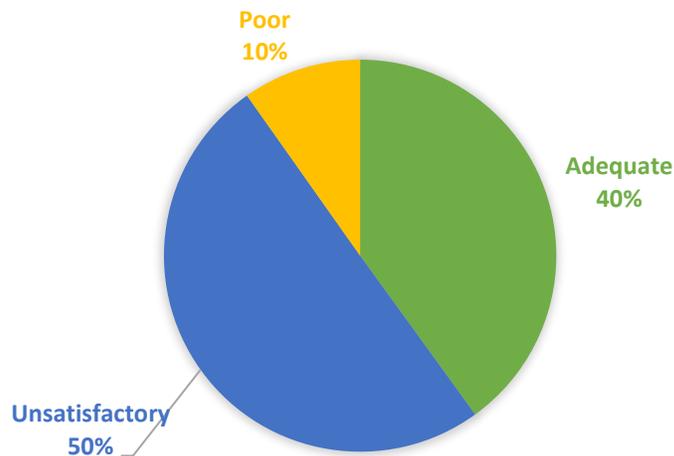


Source: SANEM survey, 2017

OTHER COMPONENTS RELATED TO EXISTING BUSINESS CONDITIONS

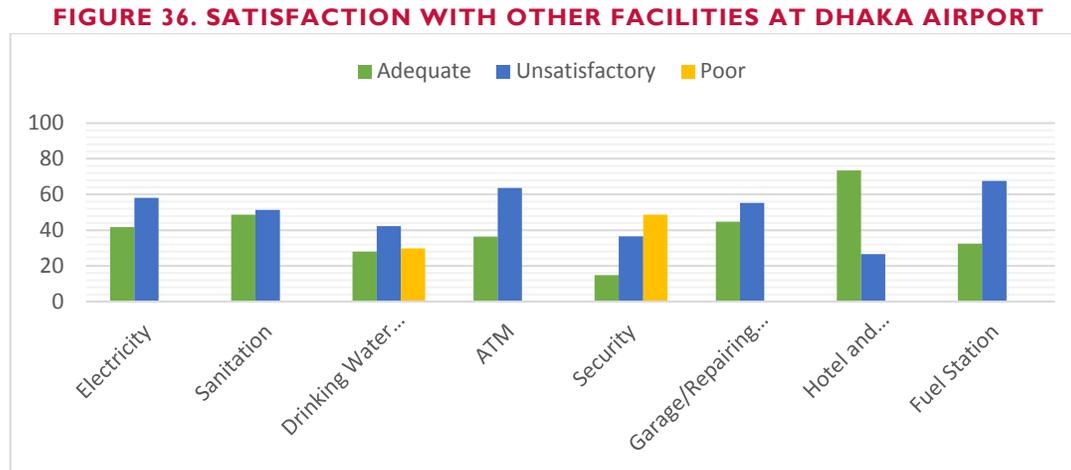
Other factors that influence existing business conditions at the Dhaka Airport include electricity, sanitation, ATMs, drinking water, garages and repair centers, security, hotels and restaurant facilities, fuel stations, etc. Figure 35 shows respondents' level of satisfaction with other existing facilities at the airport; 40 percent found them to be adequate.

FIGURE 35. SATISFACTION WITH OTHER FACILITIES AT DHAKA AIRPORT



Source: SANEM survey, 2017

Figure 36 shows the breakdown of different components of other available facilities at the Dhaka Airport.



Source: SANEM survey, 2017

OBSERVATIONS ON HANDLING OF IMPORTED GOODS AND COURIER SHIPMENTS

The import unit at the Dhaka Airport officially operates five days per week, from 9 a.m. to 5 p.m.. In most cases, it was observed that work begins no earlier than 10 a.m. and ends by 4 p.m.. This reduction in effective working hours disproportionately affects importers, who face huge backlogs of consignments resulting in financial losses for failing to deliver products to buyers/clients.

Dhaka Airport handles a large number of cargo, but the facilities are not yet fully automated. When shipments arrive, they remain stuck and sometimes it is difficult for importers to sort out the shipments. Often, they are kept outside the warehouses and the imported goods get damaged.

Most air import shipments are handled by a handful of forwarding agents; existing agencies have created barriers to entry for forwarding agencies, leading to an insufficient number of forwarding agencies to meet demand, and ultimately resulting in cargo and consignments not being handled properly or efficiently. The few forwarding agents that do operate do not let any authorities interfere in their business, and thus control the speed of import business operations. One survey respondent noted that about 3,000 tons of goods get stuck every day, and that backlogs get so bad that an emergency situation has to be declared/announced to make the Dhaka Airport import unit operate for 2-3 weeks continuously in order to clear the backlogs.

The situation is similar for courier shipments; most survey respondents agreed that the Dhaka Airport's Cargo Village is facing space-related constraints. Back in 2015, employees of 38 courier services stopped working at the airport's Cargo Village and demanded separate spaces be allotted in the Village for handling goods. Currently, of the

58 courier companies handling imported goods at the airport, fewer than 20 have separate spaces in the Village; the other 38 companies keep goods in a common space.

An average of 5,500 consignments are unloaded from the Cargo Village daily, demonstrating the heavy congestion and existence of backlogs. On a typical day, tons of imported raw materials — mainly from the garment sector — can be found. Some are damaged in the process, requiring importers to re-order the goods. This delay also affects the production process. Backlogs and delays affect importers and ultimately cause huge losses to the national economy.

Bangladesh's garment industry is struggling with delays in imports of raw materials and basic components of the ready-made garments industry as security measures at Dhaka Airport are increased in response to several countries' concerns. The Dhaka airport authority has installed new scanning equipment, but garment manufacturers are complaining that imports of raw materials and some accessories are being delayed in some cases by up to two weeks. This kind of delay affects the whole production process and eventually results in a significant amount of losses and delays in delivering orders to buyers.

The airport is continuing to experience a huge backlog of air freight cargo, with 1,800 – 2,000 tons of cargo laying out at the airport without space. Currently all carriers are booked six days in advance with high price rates due to the high demand which has impacted transit time by an additional 5-6 days. The Lufthansa cargo freighter withdrew due to security concerns, reducing capacity by 80 tons per week. The downgrade of WY (Oman Aviation Services Co) flight is accountable for a capacity loss of 70 tons per week. Moreover, cancellation of the EK (Emirates sky cargos) freighter due to no inbound cargo is responsible for a capacity loss of 200 tons per week. Furthermore, during hajj, Biman uses wide body aircraft in order to transport more passengers, resulting in a capacity loss of 100 tons per week. Many ocean shipments are converted into air due to Chittagong port congestion which imposes extra pressure on the imports of Dhaka airport.

SECTION 3

OBSERVATIONS AND SERVICE EXTENSION OPPORTUNITIES

During the survey, the research team went to the ports and observed the existing situation. In addition to the survey, the research team visited significant geographical locations around the ports. This study captures a list of real-time observations which consolidate the study’s findings to show the bigger picture of existing conditions.

TABLE 5. REAL-TIME OBSERVATIONS OF PORTS

KEY OBSERVATIONS	REASONS
BENAPOLE LAND PORT SURVEY	
Narrow roads and traffic congestion.	No initiative has been taken to widen the roads and make separate roads for the business cargos and consignments.
Heavily paper-based documentation/record system; no use of digital/advanced technology.	No integration of advanced digital technology and IT system.
Cargo and truck conditions lack fitness and quality.	New trucks and cargo are not utilized at this port.
Low quality facilities for food and restaurants; lack of facilities for safe sanitation and drinking water.	Issues not a big priority to public or private sector.
Larger workforce needed, especially afternoons/evenings.	Actual working time is not more than 4 hours; most staff end workday at 3 PM.
PETRAPOLE LAND PORT SURVEY	
Roads are not wide enough, and mixed use (lots of common passenger traffic).	There are no initiatives to widen the roads and no dedicated roads in facilitating export-import cargos.
The Bongaon area is full of cargo and trucks with consignments waiting to get in to the ICP at Petrapole.	Congestion at Petrapole and private warehouses make parking mandatory for trucks and cargos.
Only 4-5 officials were present at Petrapole’s ICP after 4 pm.	Officials go for leave without prior notification; large portion of workforce leaves after 4-5 PM.
Corruption in Bongaon municipality that promotes private warehouses.	Local rent-seeking people with vested interests perpetuate a corruption cycle.
Officers unaware of technical details of existing RMS.	Efficiency among officials to utilize RMS needs improvement.
DHAKA AIRPORT SURVEY	
Heavily paper-based documentation/record system.	No integration of advanced digital technology and IT system.
Containers kept in open spaces; insufficient sheds and warehouses.	Infrastructure needs improvements.
Few officials actively work after 6 PM.	Big difference between official and actual working hours.
Priority/preferential treatment given to politically-affiliated personnel.	Political personnel have influence over custom officials.

TABLE 6: TOP PRIORITIES AND OPPORTUNITIES FOR SERVICE EXTENSIONS

TOP PRIORITIES	SERVICE EXTENSION OPPORTUNITIES
BENAPOLE LAND PORT	
<i>Infrastructure development:</i> inadequate space, poor equipment facilities, narrow roads and weak transport system.	A multi-storied vehicle park or parking ramp can be made instead of inadequate space of truck terminal. At least one weighbridge should be provided which can be operated by private individuals or company approved by customs. Warehouses can be built and maintained by third party. Separate road can be constructed for cargo.
<i>Utilization and orientation of digital and advanced technology:</i> absence of computerized system, absence of an integrated risk management system and absence of internet facilities.	Introduce new Integrated Management System. Training workshop on digital and advanced technology.
Capacity of the existing workforce and recruiting additional workforce	Capacity building workshop on work efficiency improvement.
Optimizing the business operation hours	Make port effective for 24/7 in practice. Match operation hours with Petrapole Land Port.
<i>Poor supporting facilities at port:</i> drinking water facility, healthcare, ATM and banking, hotel and restaurants etc.	Amenities related to drinking water availability, good hotel and restaurants should be provided. Emergency healthcare facilities can be established with basic treatment and medicines.
<i>Time-consuming testing procedure:</i> food items and machineries.	A regional permanent office of BSTI can be established to make the port time efficient and cost effective.
PETRAPOLE LAND PORT	
Optimum utilization risk management system at ICP	More ICPs need to be placed.
Improved capacity of the workforce in order to utilize advanced technology	Capacity building workshop on digital and advanced technology.
Road conditions	Develop road infrastructure and transit protocols through consultation and joint deliberation.
DHAKA AIRPORT CUSTOMS HOUSE	
<i>Utilization of digital and advanced technology:</i> absence of computerized systems, insufficient advanced technological tools and lack of robust security system. The security system still depends significantly on manual checkups.	Development and implementation of an integrated risk management system
Optimizing business operation hours	Effective 24/7 working hours in actual practice, improving working capacity and size during night shifts.
Workforce capacity	Training existing workforce on utilizing advanced technology and implementing an integrated security system.
<i>Infrastructure development:</i> advanced equipment, shed, and warehouses.	Establish more sheds and warehouses.

SECTION 4

CONCLUSIONS

The study assessed the existing business situation of the three ports and, based on their unique requirements and constraints, has developed recommendations as detailed below.

A. MAJOR RECOMMENDATIONS FOR BENAPOLE LAND PORT

Per respondents' insights, secondary literature findings, and stakeholders' input, the major recommendations for the Benapole Land port can be divided into five key areas: infrastructure, operation hours, technology, workforce capacity, and political advocacy.

INFRASTRUCTURE IMPROVEMENTS

Widening the Roads. The existing road connecting to Petrapole is merely 5.5 meters wide and common transports also travels on this road which results in congestion of the transports and restricts quick entries and exits of consignments. This is highly important that this road is transformed into a wider road. In fact, it was suggested by most of the respondents that a dedicated and separate road for export-import purposes should be established.

Improving Transportation. There are fitness related problems in the existing cargo and trucks. Most trucks are 10-15 years old and require intensive servicing to perform at optimum levels. Moreover, the existing cargos/trucks of Bangladesh can carry half of the load amounts that Indian trucks can, creating delays at Petrapole while unloading. There are two ways to solve this problem: transports need to be repaired or new transports should be introduced; and transport capacity should be matched with the counterpart of the Petrapole land port.

Space Facilities: At present, there are 40 warehouses, 7 of which are not functioning. Respondents argue that 60 additional warehouses are required. However, the study found that if this land port starts operating for 24/7 effectively and addresses the congestion-related bottlenecks, the demand for additional warehouses could be reduced by up to 10-15 fewer warehouses.

Weighbridge: An additional weighbridge is required to improve business conditions.

24/7 EFFECTIVE OPERATIONS

Recently it was declared that from August 1, 2017, the Benapole Land Port would be operating 24/7. However, during the period of this survey, this had not yet been declared and thus this study capture the pre-existing situation. It was found that the

lack of effective operation hours at Benapole Land Port is one of the major issues to be addressed. The study recommends these be addressed by:

- Synchronizing working hours with the Petrapole Land Port.
- Reducing time lags of cargo loading and unloading.
- Providing facilities for quick sample testing of consignments.
- Introducing an advanced RMS that is electronically linked to the Petrapole RMS.
- Improving coordination between the two custom houses monthly and quarterly meetings.

INCORPORATION OF ADVANCED DIGITAL AND TECHNOLOGICAL FACILITIES

It was found that almost all the activities such as record keeping, communications, proofs and other documents are done manually and paper-based. Introducing a computerized system and security system is highly recommended for this land port in order to optimize the business operation facilities.

An integrated IT infrastructure and internet facilities should be incorporated into the existing system, which will eventually quicken procedures. A closed-circuit camera and advanced scanners are needed to improve security.

CAPACITY BUILDING

Training programs and workshops are needed to improve the skills of the existing workforce, and recruit additional staff. Current workforce levels are only one-third of what is required, and the existing workforce lacks sound knowledge in utilizing advanced and updated technological tools.

POLITICAL ADVOCACY

It is highly recommended that the custom houses of Benapole and Petrapole land ports organize meetings and trade facilitation initiatives between these two countries.

B. MAJOR RECOMMENDATIONS FOR PETRAPOLE LAND PORT

The study found no significant need for infrastructure investments at Petrapole, unlike Benapole. However, there is room for improvement in several other areas.

INTEGRATED RISK MANAGEMENT SYSTEM AND WORKFORCE CAPACITY BUILDING

Effective implementation of the advanced and integrated RMS at the ICP should be ensured. The present system is sufficiently advanced but lacks proper implementation. Training and workshops to improve skills needed to utilize the existing RMS are required, as is recruitment of additional staff.

POLICY-LEVEL ADVOCACY

Policy-level advocacy between the custom houses of Benapole and Petrapole land ports, and between the other relevant authorities such as the land port authorities, clearing and forwarding agencies, and traders, should be arranged.

ADDRESSING SOCIAL AND LOCAL OBSTACLES

In order to reduce the influence of the local rent-seeking business circle, it is important that the conditions of law and order must be improved and actively implemented.

The Bongaon Municipality plays a major role in the dynamics of local and social set up at the Petrapole land port. Many private warehouses and local people make profit out of the traffic congestion at this land port which is strongly related to the Bongaon municipality. Therefore, it is important to implement the law and order effectively.

Problems with working hours and conditions voiced by workers' unions during strikes need to be addressed. Law and order institutions, as well as traders, need to coordinate with these unions in order to improve the business enabling environment.

C. MAJOR RECOMMENDATIONS FOR DHAKA AIRPORT

INCORPORATING ADVANCED AND DIGITIZED TECHNOLOGY

Computerized facilities for documents/communications and a robust security system with advanced technology need to be introduced.

OPTIMIZING BUSINESS OPERATION HOURS IN PRACTICE

Business operation hours need to be effective 24/7, instead of the 10 a.m. – 8 p.m. working hours that currently exist. Advanced technologies and digitized systems will bring optimum outcomes if the port is effective 24/7.

SPECIFIC SUGGESTIONS FOR THE IMPORT UNIT

Making the import unit active for 24/7 is the top priority, and emphasis should also be given to other factors such as: making the business operation hours effective, training the workforce, increasing the space and number of warehouses, and orienting the existing system towards a more automated one. In order to address the courier service related import constraints, more courier agencies should be given allocation of space and warehouses (even if it is done on a shared basis with big agencies), and dedicated forwarding agencies should be involved in courier shipments. Existing workforce and logistics should also be improved.

D. CONCLUSION

Through this study, SANEM conducted a rigorous analysis of the existing business conditions at the Benapole Land Port, Petrapole Land Port, and Dhaka Airport.

Moreover, the study captured information and data from the relevant stakeholders which strongly represents real problems and real solutions. The recommendations of this study are going to improve the existing situation significantly if implemented timely and optimally.

Though there are some common constraints in three of the ports, some visible differences exist in terms of the nature of the problems and priorities of the relevant ports. A sound and robust improvement at Benapole's end can bolster trade between these two nations. During the first ten months, July 2016 to April 2017, of FY 2016-17, the import volume through Benapole land port had increased by about 13.6 percent. It is anticipated that this increase can be accelerated by up to 30 percent over the next two years once the institutional and technical barriers to trade are addressed properly.

Infrastructure, effective working hours, integration of advanced technology, capacity building of the workforce, social and local barriers and service-related issues (electricity, sanitation facilities, fuel stations, etc.) are the common areas needing improvements at both land ports.

During the study, a declaration was made that the Benapole Land Port would operate 24/7 effective August 1, 2017. However, this will not bring significant changes to the existing situation if the issues described in this study — space, roads, transports, local interventions, and digitization — are not implemented. Involving all actors in the push for these changes — customs houses, port authorities, C&F agencies, and traders — will lead to overall improvements in trade flows between Bangladesh and India.

ANNEX A. VISITS AND RESPONDENT INSTITUTIONS

MAJOR VISITS	INSTITUTIONS OF RESPONDENTS
Dhaka Airport, Bangladesh	Dhaka Custom House
Dhaka Airport, Bangladesh	Clearing and Forwarding Association
Benapole, Bangladesh	Bangladesh Land Port Authority
Benapole, Bangladesh	Benapole Custom House
Benapole, Bangladesh	Clearing and Forwarding Association
New Delhi, India	Central Board of Excise and Customs, Ministry of Finance
New Delhi, India	Transport Ministry
New Delhi, India	Confederation of Indian Industry
New Delhi, India	Federation of Indian Chambers of Commerce and Industry
Kolkata, India	Confederation of Indian Industry
Kolkata, India	CUTS International
Kolkata, India	Indian Institute of Foreign Trade
Petrapole, India	Bongaon Parking
Petrapole, India	Integrated Check Post
Petrapole, India	Custom House

ANNEX B. DISTRIBUTION OF THE RESPONDENTS

PORTS	NUMBER OF SAMPLE SIZE	% OF SAMPLE SIZE
Dhaka Airport	50	43
Benapole Land Port	40	35
Petrapole Land Port	25	22
Total	115	100

ANNEX C. CATEGORIES OF THE INSTITUTIONS

INSTITUTIONS	STACKHOLDER'S TYPE
Dhaka Custom House	Government (Bangladesh)
Clearing and Forwarding Association	C&F agents and Traders
Bangladesh Land Port Authority	Government (Bangladesh)
Benapole Custom House	Government (Bangladesh)
DHL Pvt. Ltd. (BD)	Business representative
S.B.C express	Business representative
TNT Express Worldwide	Business representative
Central Board of Excise and Customs, Ministry of Finance	Government (India)
Transport Ministry	Government (India)
Confederation of Indian Industry	Non-government organization
Federation of Indian Chambers of Commerce and Industry	Non-government organization
CUTS International	Research Institute
Indian Institute of Foreign Trade	Foreign trade policy research
Bongaon Parking	Traders
Integrated Check Post	Government (India)
Custom House	Government (India)

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