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Lack of infra hampering Indo-Bangla border trade

Ayan Pramanik, Business Line (The Hindu)

Kolkata, 10 January 2014: India and Bangladesh's plan to keep bilateral trade going for seven days a week at Petrapole-Benapole land custom stations has hit infrastructure roadblock. Located nearly 80 km from Kolkata, Petrapole (India)-Benapole (Bangladesh) border accounts for nearly half of the \$5.5-billion bilateral trade. Both the countries planned to extend operations from six days to seven days beginning January 1.

At a meeting attended by Union Revenue Secretary Sumit Bose and his Bangladeshi counterpart Golam Hosen at Petrapole on Friday, traders from both sides of the border blamed lack of infrastructure as a major cause of concern to operate seven days.

“Though top revenue officials from both the countries agreed to keep operations on for the whole week in October last year, trucks still don't move on the Bangladeshi side on Fridays,” a Bangaon-based exporter who attended the meeting told *Business Line*.

According to him, infrastructure hurdles and political issues have to be dealt with first to practically implement seven-day operation at the Petrapole-Benapole land custom stations.

Another trader who operates though Petrapole-Benapole route said lack of infrastructure often resulted in 8-10 km long queues of trucks on both the sides.

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Bangladesh looking for greater access for readymade garments

The Economic Times

New Delhi, 19 January 2014: Bangladesh will press for greater access to the Indian market for readymade garments and will urge the government to ease barriers including stringent testing norms.

Bangladesh Commerce Minister Tofail Ahmed, who will meet Commerce & Industry Minister Anand Sharma on Saturday, is also expected to chart out detailed plans for improving border infrastructure to boost trade between the two neighbours.

"The United States and European Union, Canada are very big markets for our readymade garments. But India, which is also a big market we cannot utilise it," Ahmed told TOI in an interview.

"India shall have to give us more facilities so that we can export our readymade garments. In some places, India is our contestant for readymade garments. But, our product is cheaper than India's as our cost of production is less than India's."

India and Bangladesh compete in the textile export segment in some markets but Ahmed said New Delhi has set up barriers such as imposing tough testing norms to keep readymade garments from Bangladesh out.

"India is not accepting the tests of BSTI (Bangladesh Standards and Testing Institution). That is the big problem. They feel that our testing process and methods are not up to the expectations. It is a matter of discussion," Ahmed said.

"Bangladesh can take this opportunity but because of barriers we cannot come to the Indian market," he said referring to the potential of the Indian market.

Ahmed said efforts are on to set up trade offices in Siliguri and Guwahati to expand trade in the seven northeastern states of India. "There is huge opportunity to export our products to seven sister states in India. We have lots of plans."

The minister also said the new government in Bangladesh plans to expand its export procession zones and invited Indian companies to take advantage of the opportunities. He said he will engage with Indian companies.

Indian entrepreneurs, Indian industrialists can set up their industries in Bangladesh. As an LDC (least developed countries), Bangladesh is getting GSP (Generalised Scheme of Preferences) and lot of other facilities from European markets. After setting up industries in Bangladesh, Indian entrepreneurs will be able to get the opportunity," Tofail said.

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India has asked Bangladesh to open direct sea routes to boost trade

Nayanima Basu, Business Standard

New Delhi, 8 March 2014:India has asked Bangladesh to open direct sea routes to boost bilateral trade, hampered by congestion at the land customs stations.

Sources said the department of commerce had asked the Directorate General (DG) of Shipping to work out a mechanism. "To initiate the process, ships have to be certified by both sides so these can operate in each other's waters," an official said.

"We have asked the DG to work out a protocol with Bangladesh on our regulatory requirements. The dependency on Petrapole international check post (land route) is costing us a lot."

After several rounds of talks, it was proposed both would begin the initiative with smaller vessels. This would prove more cost-effective for Bangladeshi traders.

At present, goods shipped from the two are sent through the ports of Singapore or Colombo, very expensive. As a result, the cargoes turn to Petrapole-Benapole land customs stations. Because of this, both the border posts face massive congestion. The logjam at the Petrapole and Benapole (Bangladesh side) has emerged to be one of the biggest trade barriers. These handle half the bilateral trade.

"There is not enough cargo moving between Chittagong (Bangladesh) and Kolkata, so it is not profitable for a big vessel to ply. The charges for Paradip port are very high so it is much better to run it through the Colombo port. Rather, the government should focus on improving the land customs station," said Nisha Taneja, professor, ICRIER.

Since January, Petrapole and Benapole land customs stations have been made operational seven days a week. Both suffer massive traffic congestion, poor road conditions and lack of authorised parking facilities.

The government has also taken measures to facilitate trade at Petrapole including extended working hours for the functioning of customs and aligning the weekly holiday with Bangladesh. The movement of trucks carrying export cargo is allowed up to the customs station of the importing country for discharge of cargo.

Exports from Bangladesh to India have risen significantly since 2010 when New Delhi took products from Dhaka off of its negative list. India imported goods worth \$639.33 million in 2012-2013, compared to \$254.66 million in 2009-2010. According to commerce and industry ministry data, total bilateral trade swelled to \$5.78 billion in 2012-13 from \$2.68 billion in 2009-2010.

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