

Status of road transport and transit facilitation in South Asia

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BHUTAN



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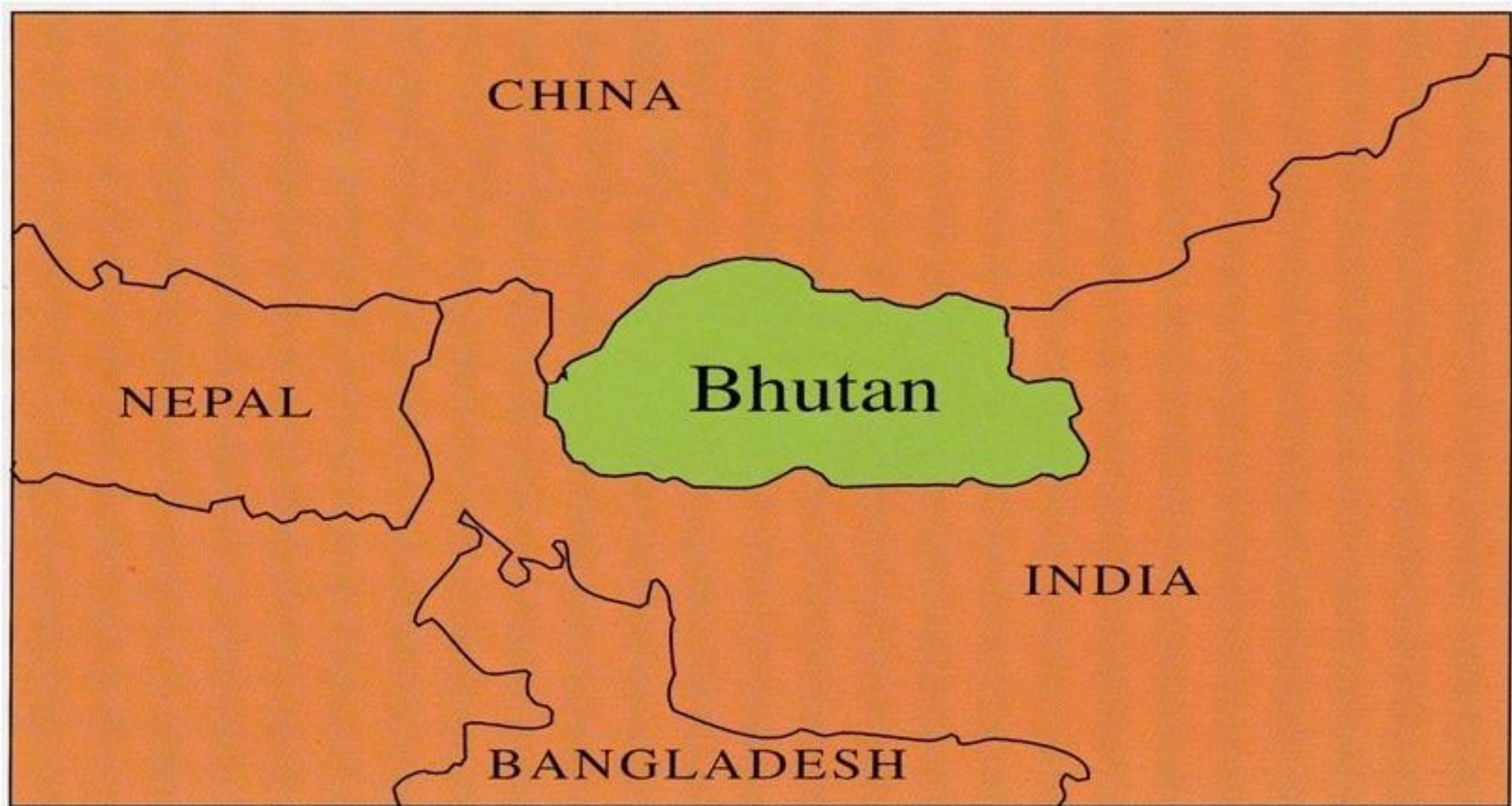
CHINA

NEPAL

Bhutan

INDIA

BANGLADESH

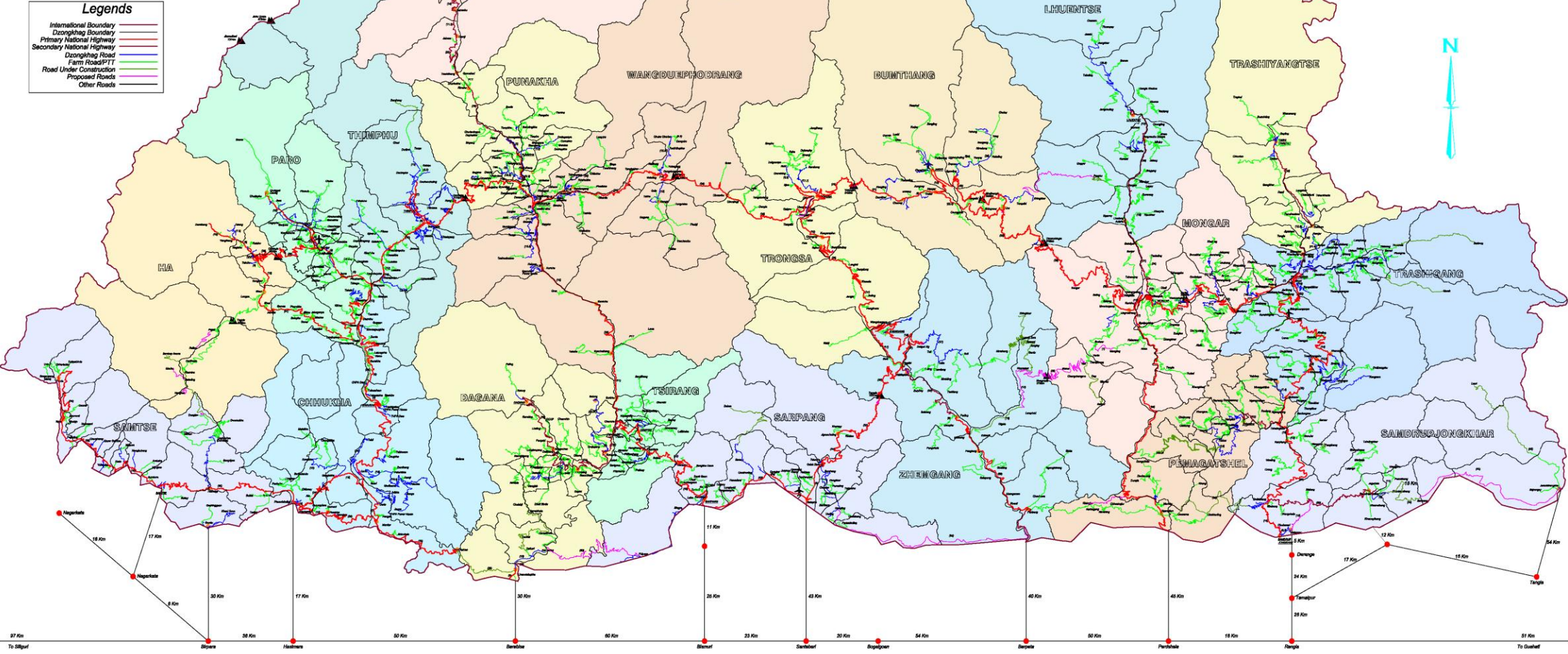




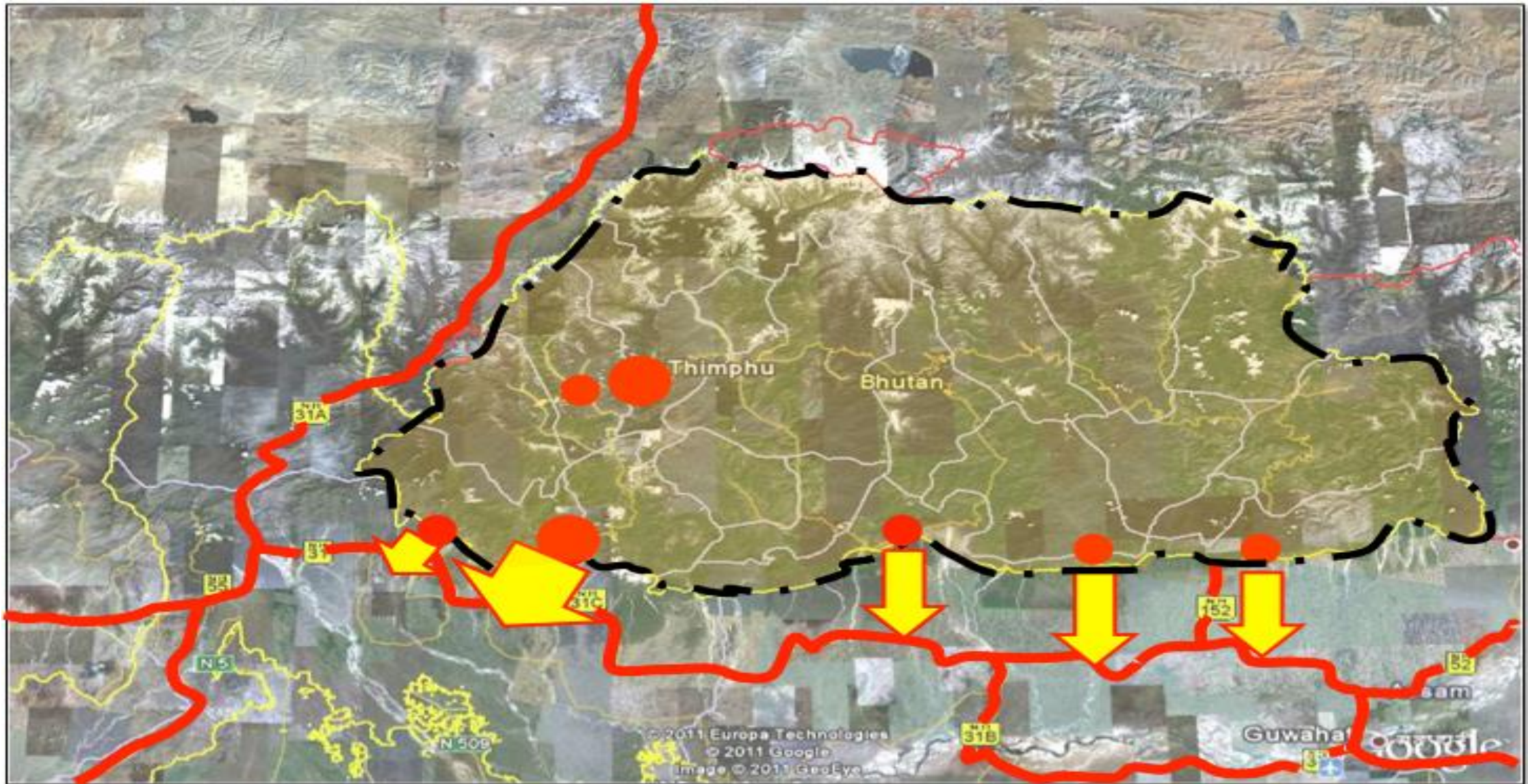
ROAD NETWORK OF BHUTAN



Source - Ministry of Agriculture & Forest
- Department of Roads
Update - Sept. 2014



Five major Border Crossing Points in relation to Indian Highway network





Brief Country Profile

- ❖ **Area:** 38,394 sq km
- ❖ **Population:** 779,666 (2017 est.)
- ❖ **Terrain :** Mostly mountainous (318' – 24,836' AMSL)
- ❖ **Forest cover:** 72% approximately
- ❖ **Arable land:** About 8%
- ❖ **Transport System:** Land and Air Transport
- ❖ **Airports:** 1 Int'l and 3 domestic
- ❖ **Road Length (all types):** 12,249 Km (2016)
- ❖ **Total Vehicle Number:** 89,300 (Aug 2017)

Background

- ❑ Of the total 12,249 km; 13 highways totaling to 1,942 km constitute the primary road network, 632 km secondary road network, and the remaining as feeder roads and farm roads
- ❑ Of the existing twenty one entry/exit points for cross-border transport, five north-south highways connect to the road network in India.
- ❑ The double-lane 174 km Phuntsholing - Thimphu Primary National Highway is designated as the Asian Highway [AH48]. It is connected to the Asian Highway Network at Phulbari, Silguri area in India providing onward connection to the larger Asian Highway network.
- ❑ PT Highway caters to over 1,000 vehicles daily and is therefore the busiest highway in the country. The traffic is likely to grow significantly to over 7,500 VPD by 2040.
- ❑ Phuntsholing is the main gateway for international trade (catering to over 82% transport and trade).
- ❑ Sea ports in India (Kolkata and Haldia) are currently the main maritime gateways for international trade.

Cross-border transport and transit

- ❑ Free movement of Bhutanese vehicles in India
- ❑ No formal Transport Agreement with India or other neighboring countries
- ❑ Besides freight cargo, scheduled passenger transport buses also operate between Bhutan and India
- ❑ Transit transport from point A in Bhutan to point B in Bhutan take place through India
- ❑ Transport connectivity and transit to other neighbouring countries, namely Bangladesh and Nepal, also take place through India.
- ❑ The following road corridors provide access to sea-ports:
 - ❖ Phuentsholing – Jaigaon – Hasimara- Siliguri – Kolkata
 - ❖ Phuentsholing - Burimari – Khulna - Dhaka – Chittagong/Mongla (B'desh)
 - ❖ Samdrupjongkhar – Guwahati – Chittagong (B'desh) – Kolkata (India) – alternate route from the eastern part of the country.

Policies/strategies

- ❑ As a landlocked country, Bhutan recognizes the importance of seamless access to sea-ports and is accordingly exploring all possible options with neighboring countries.
- ❑ Promoting regional connectivity is paramount for facilitation of international trade, and therefore given due importance in all national interventions.
- ❑ Bhutan will continue to participate in sub-regional, regional and international initiatives (such as SAARC, BBIN, BIMSTEC, Asian Highway Network); not necessarily however, on a reciprocal basis due to disproportionately smaller size of the country and population, inherent infrastructure limitations, environmental considerations, and infant transport industry, which feels threatened.

Updates -regional connectivity to facilitate cross-border road transport

Transport connectivity

- ❑ As part of the transport connectivity initiative, the following works are on-going in Phuntsholing area:
 - ❖ Access road to Pasakha industrial estate for freight transport by passing Phuntsholing town,
 - ❖ Construction of land custom station [access road and this activity delayed owing to the termination of previous contractor]
 - ❖ Mini dry port [work awarded in April 2017 for completion within 2018]
 - ❖ 2.7 km of bypass road [works started on 27 Oct 2017]

Updates -regional connectivity to facilitate cross-border road transport

Trade Facilitation

- ❑ Bilateral Agreement on trade, commerce and transit with India:
 - ❖ Signed on 12/11/2016
 - ❖ Allows for free trade and commerce between the two countries
 - ❖ It also provides transit rights for trade with third countries, for which 21 entry/exit points are identified for bilateral trade with India, and transit trade to Bangladesh and Nepal.
 - ❖ Procedures for bilateral and third country trade are detailed in the accompanying Protocol
- ❑ MoU with Bangladesh on the use of Inland Waterways for bilateral trade and transit cargo:
 - ❖ Signed on 18 Apr 2017
 - ❖ Standard Operating Procedures are being worked out
 - ❖ Could pave way for the use of Chittagong and Mongla sea-ports for international sea-borne trade of Bhutan.

Updates -regional connectivity to facilitate cross-border road transport

System harmonization

- ❑ Bhutan ratified the “Revised Kyoto Convention”
- ❑ The Customs Act has been revised in accordance with standards of the “Revised Kyoto Convention”:
 - ❖ It seeks to simplify and harmonize Customs procedures, and promote modern customs practices
 - ❖ Aligns with international standards and practices thereby increasing transparency, predictable customs actions, maximizing the use of ICT & automation
- ❑ Study on the feasibility of National Window System completed and discussed in the meeting of the National Transport & Trade Facilitation Committee

Issues/Challenges

- ❑ Difficulty in implementing sub-regional, regional or international agreements or treaties due to peculiar challenges and other limitations
- ❑ Transport infrastructure gap...limited scope for rail and inland water transport, and lack of dry ports, warehouse and cold storage facilities
- ❑ Distance to seaports result in high transport and trade transaction costs
- ❑ Rugged mountainous terrain make cost of road construction and maintenance expensive and unsustainable
- ❑ Small volume of cargo makes it unfeasible to book railway wagons or use bigger containers to and from the sea port
- ❑ Congestion, road condition and local level problems while accessing sea-ports
- ❑ High cost of developing National Single Window
- ❑ Low institutional capacity in various aspects of transport development and management

Thank you all for your attention

Any question, please feel free
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