

Trade and Transport Facilitation Monitoring Mechanism (TTFMM) & Way Forward in Bangladesh

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Agenda

1. BPA Phase I studies in Bangladesh (and SASEC)
2. Trade & Transport Facilitation Monitoring Mechanism (TTFMM)
 - ✓ Why is a TTFMM needed?
 - ✓ Integrated and Sustainable TTFMM – overview
 - ✓ Key outputs of TTFMM
 - ✓ TTFMM integrated methodology: BPA+
3. TTFMM implementation in Bangladesh – Way Forward
4. Quick introduction to the rest of the workshop...

BPA of Bhutan-Bangladesh Trade (2012-13)

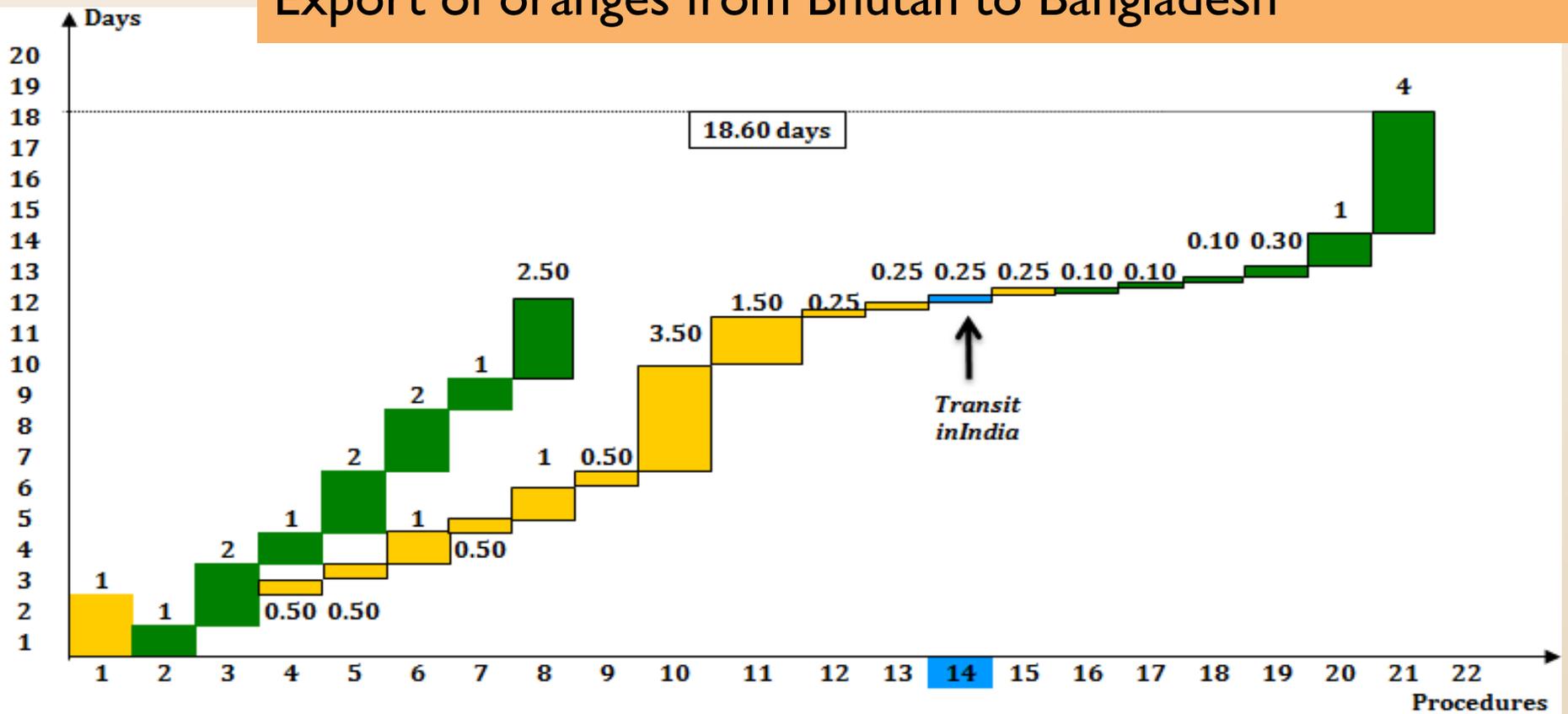
Phuentsholing (Bhutan) - Jaigaon (India) - Changrabandha (India) -
Burimari (Bangladesh)



1. Bhutan's import of fruit juices to Bangladesh
2. Bhutan's export of oranges to Bangladesh

Distance: 115 km

Export of oranges from Bhutan to Bangladesh

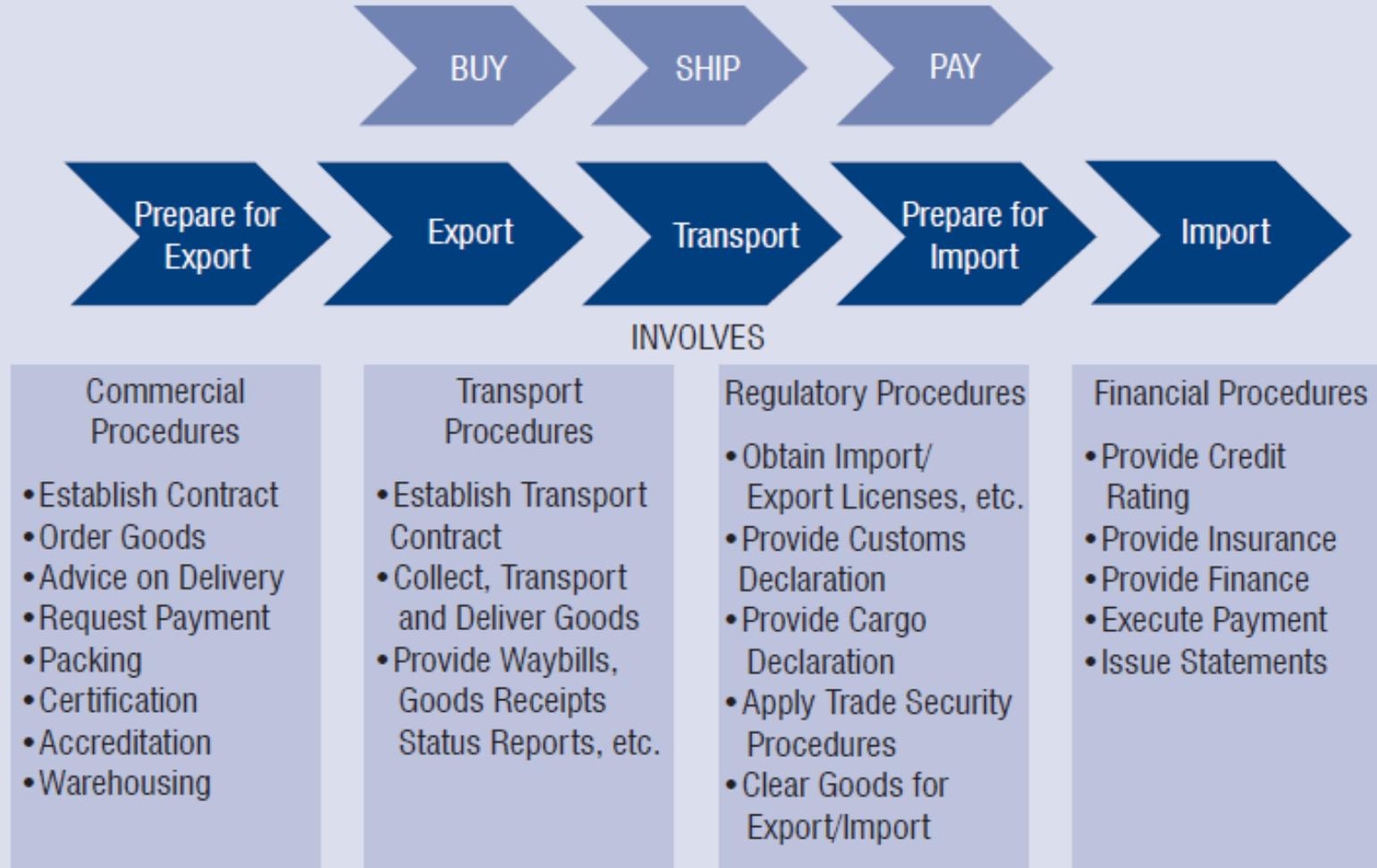


Sr. No	Procedures	Days	Sr. No	Procedures	Days
1	Buy	2.00	1	Representative of the importer visits Bhutan	1.00
2	Obtain Trade License	0.50	2	Fixing terms of trade with exporter via Representative	2.00
3	Become BCCI Member	0.50	3	Sending Proforma Invoice to importer	1.00
4	Obtain Token Number	1.00	4	Documents prepared & Import L/C opened in Bank	2.00
5	Become BEA Member	0.50	5	L/C copy sent to Exporter (via Courier)	2.00
6	Apply for Phyto-sanitary Certificate	1.00	6	Approval of Exporter after cross checking with his Bank	1.00
7	Apply for COO, ARAC & FHCC	0.50	7	Documents prepared for customs declaration	2.50
8	Apply for Labor Permit	3.50	8	Deposit Chalan Fee by C&F	0.10
9	Obtain Work Permit	1.50	9	Customs inspection and Clearance	0.10
10	Complete Export Documentation	0.25	10	Out Pass Handed over by C&F to Importer representative	0.10
11	Obtain Export Declaration	0.25	11	Loading Importers truck	0.30
12	Transport to Jaigaon / Changrabanda	0.25	12	Transport to Importer Trading Place	1.00
13	Transport to Burimari	0.25	13	Payment through L/C Settlement	4.00

Why Trade and Transport Facilitation (TTF) Important?

- ❖ **Trade & Transport Facilitation?** → Reducing the time, cost and uncertainties associated with trade transactions by **streamlining all the procedures involved in import, export and transit**
 - ▶ Benefits: lower price of goods for consumers; increased competitiveness of exports; increased government revenue & FDI
- ❖ Trade has been an essential engine of growth for most developing countries in Asia and the Pacific
- ❖ Tariffs have come down, but many non-tariff barriers remain, making **trade facilitation as important as ever**
 - ▶ WTO Trade Facilitation Agreement finalized in Bali on 7 Dec. 2013

International Trade Transaction & Procedures



Source: United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT). 2008.

Why is a TTF Monitoring Mechanism needed?



*If You Can't
Measure It,
You Can't
Manage It!*

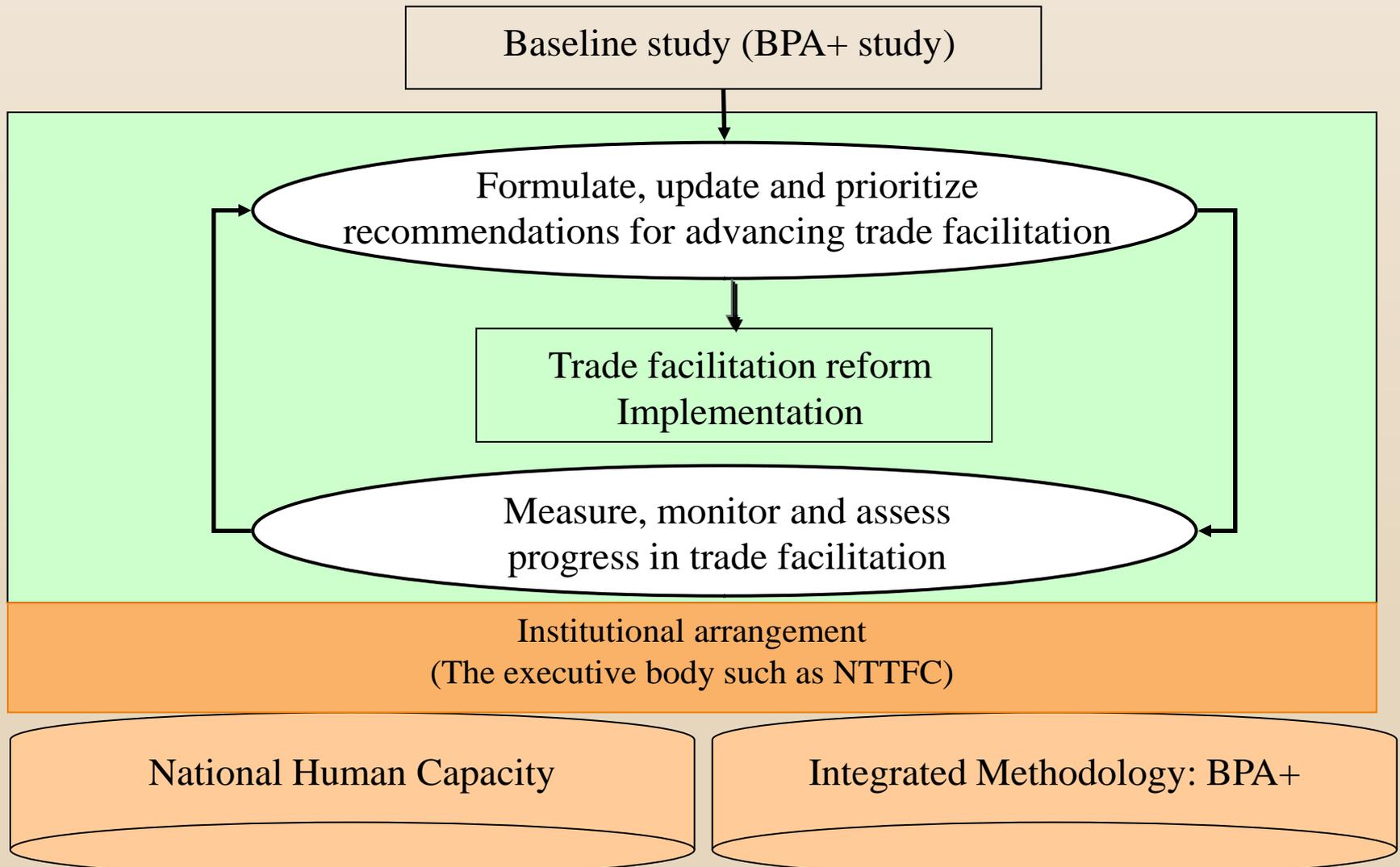
- ❖ Available international cross-country TTF indicators not sufficiently detailed and reliable
- ❖ Many TTF studies often done in developing countries, but
 - ▶ One-off / Ad hoc assessment studies; Overlapping and not coordinated; No uniform method & approach
 - ▶ Lack of ownership of results, with no follow-up

Need for an integrated and sustainable mechanism:

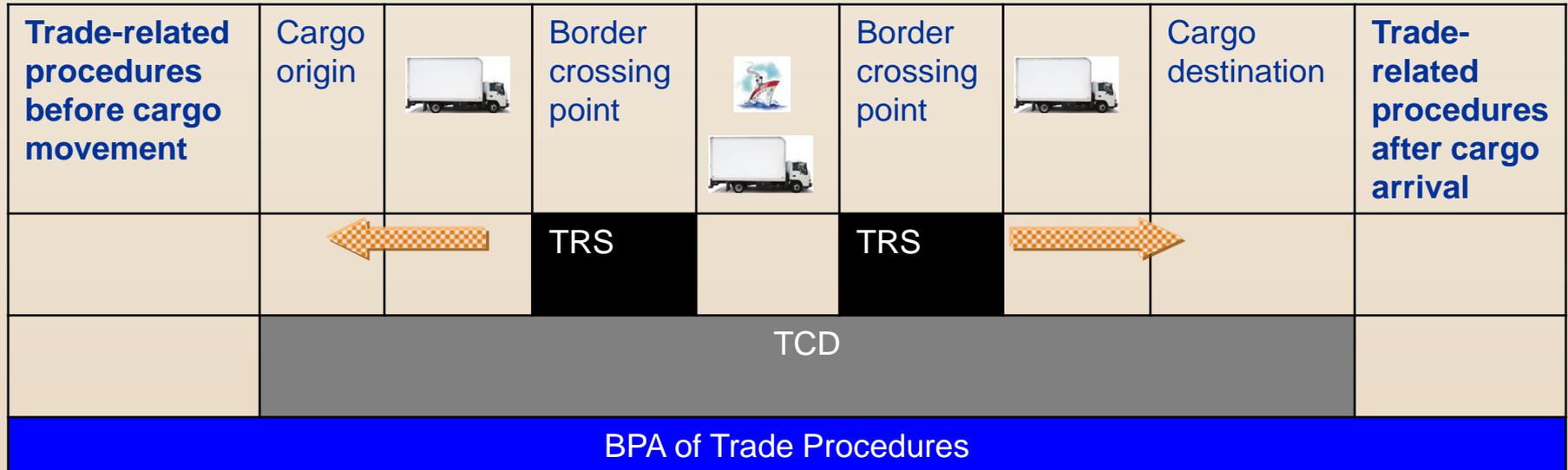
(1) To provide adequate data & information to support decision making by the National Trade & Transport Facilitation Committee – and to monitor implementation and impact of these decisions on TTF

(2) To reduce unnecessary duplication of efforts & ensure recommendations are implemented

Integrated and Sustainable Trade & Transport Facilitation Monitoring Mechanism (TTFMM)



TTFMM - Integrated Methodology: BPA +

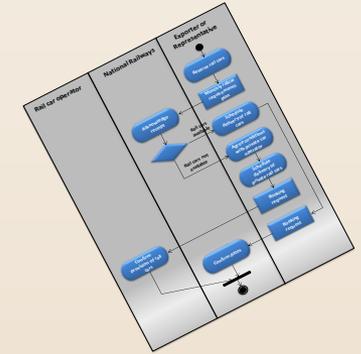


Business Process Analysis (BPA) for diagnosis of TF bottlenecks along entire supply chain

Time-Cost Distance Method (TCD) & **Time Release Study** (TRS)

to Improve/verify BPA time and cost estimates

TTFMM – Key Outputs



❖ TTFM Database, including:

- ▶ Description, activity diagram and related rules/regulations for each trade & transport procedure for selected products along selected corridors
- ▶ Time, Cost, No. of documents and related indicators for each process/procedure

[TTFM Database will be updated regularly (annually) and expanded with additional information on corridors, products as seen fit by the NTTFC]

❖ An annual report

- ▶ Presenting relevant summary information from the database to the public, as decided by the NTTFC, as well as an analysis and recommendations

TTFMM implementation in Bangladesh – Way forward

- ❖ Building on SASEC BPA study 2012-13: ...
- ❖ TTFMM BPA+ baseline study 2014
 - ▶ Possible Corridors for consideration (based on Workshops held Bhutan and Nepal)
 - ✓ Thimphu - Phuentsholing - Jaigaon - Chenggrabandha - Burimari - Dhaka
 - ✓ Kathmandu – Kakarvitta – Phulbari – Banglaband - Dhaka
 - ▶ What trade process (import, export, transit)?
 - ▶ What products (for each corridor and trade process)?
 - ▶ Composition of study team (and support needed from ADB/ESCAP)?
 - ▶ Timeline (Launch of 1st Annual report)

Proceeding of this workshop

- ❖ Day 1 and Day 2 Morning: TTFMM Training on **Business Process Analysis**
- ❖ Day 2 Afternoon: TTFMM Training on Time Release Study (TRS) Method
- ❖ Day 3 Morning: TTFMM Training on Time-Cost Distance Method, Implementation Plan for TTFMM and BPA+ Baseline Study 2014

Thank You

