

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

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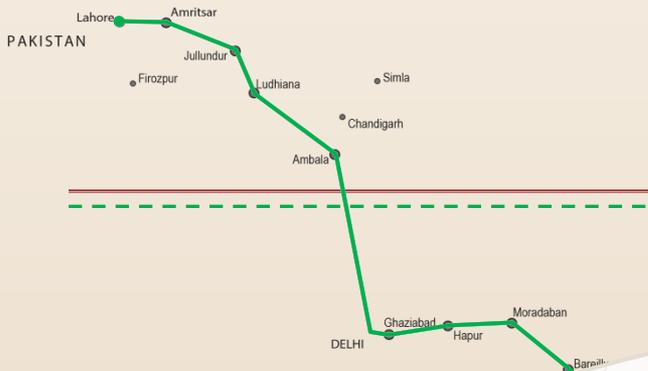


# Agenda

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1. BPA Phase I studies in Nepal
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 Nepal – Way Forward
4. Quick introduction to the rest of the workshop...



**Corridor 10- Kathmandu, Mugling, Narayanghat, Butwal, Bhairahawa, Sunauli, Gorakhpur, Barabanki, Lucknow**



click on the colors

SAARC Corridor 1	SAARC Corridor 1
SAARC Corridor 2	SAARC Corridor 2
SAARC Corridor 3	SAARC Corridor 3
SAARC Corridor 4	SAARC Corridor 4
SAARC Corridor 5	SAARC Corridor 5
All Corridors	All Corridors

# Corridor Selection for BPA Study

This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

Training Workshop on TTFMM, Nepal, 15-17 April 2014

# Corridor 1 (Nepal corridor)

Kakarvitta (Nepal) – Panitanki (India) – Fulbari (India) –  
Banglabandha (Bangladesh)



1. Nepal's import of lead acid accumulator
2. Nepal's export of lentil

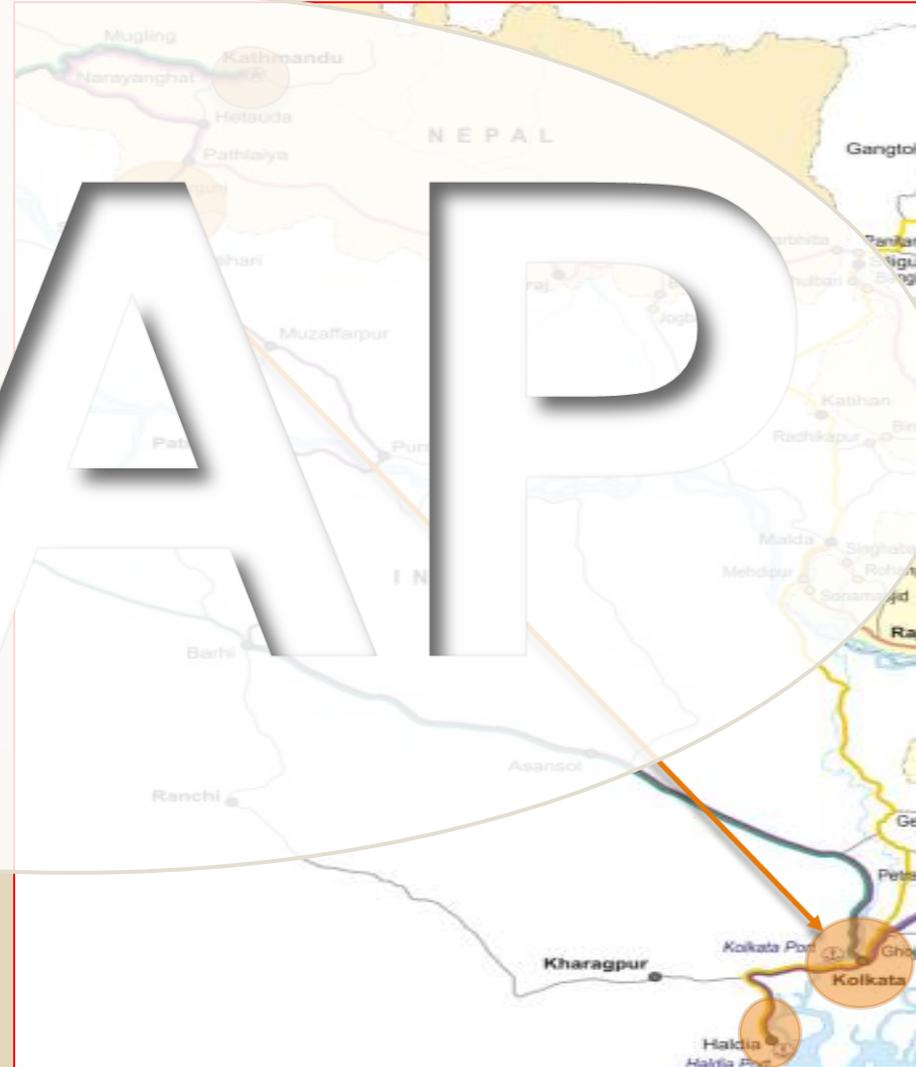
3. Transit distance: 54 km [Kathmandu to Dhaka – 1152 km]
4. Nepal's 1% total trade (US\$ term) passes through this corridor

# Corridor 3 (Nepal corridor)

**Kathmandu (Nepal) – Birgunj (Nepal) –  
Raxaul (India) – Kolkata (India)**

1. Nepal's import of Crude soya bean oil
2. Nepal's export of carpet
3. Distance: 704 km (Kolkata port), 832 km (Haldia port)
4. Share of Birgunj customs to total trade: 44%

**MAP**



## Handling of cargo in Birgunj

	No of Train	Total TEUs	No of Train	Total TEUs
2008/09	178	14702	7	18242
2009/10	207	17616	81	194313
2010/11	222	19440	128	326826
Growth (%)	12.36	16.11	864.29	845.81

Source: Rajkarnikar (2013)

# Study Corridors and Products

Corridor	Countries Linked	Distance, Total	Distance, Transit	Products Traded
<b>Corridor 1</b> (Nepal corridor) Kakarvitta-Panitanki-Fulbari-Banglabandha	Nepal – India - Bangladesh	1152 km <sup>#</sup>	54 km	<ul style="list-style-type: none"> <li>• Lentil</li> <li>• LAA*</li> </ul>
<b>Corridor 2</b> (Bhutan corridor) Phuentsholing-Jaigaon-Hasimara-Changrabandha-Burimari	Bhutan – India - Bangladesh	630 km <sup>^</sup>	115 km	<ul style="list-style-type: none"> <li>• Orange</li> <li>• Fruit juice</li> </ul>
<b>Corridor 3</b> (Nepal corridor) Kathmandu-Birgunj-Raxaul - Kolkata	Nepal - India	1287 km <sup>\$</sup>	1047 km	<ul style="list-style-type: none"> <li>• Carpet</li> <li>• CSO**</li> </ul>

\*Lead acid accumulator \*\*Crude soya bean oil #Kathmandu to Dhaka. ^Thimpu to Dhaka  
\$Kathmandu to Kolkata

# Why is a TTF Monitoring Mechanism needed?

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

- ❖ Available international cross-country TTF indicators not sufficiently detailed and reliable
- ❖ Some TTF studies have been carried out in developing countries, but often
  - ▶ 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 and to monitor implementation and impact of these decisions on TTF
- (2) To reduce unnecessary duplication of efforts & ensure recommendations are implemented

# Old Chinese Wisdom

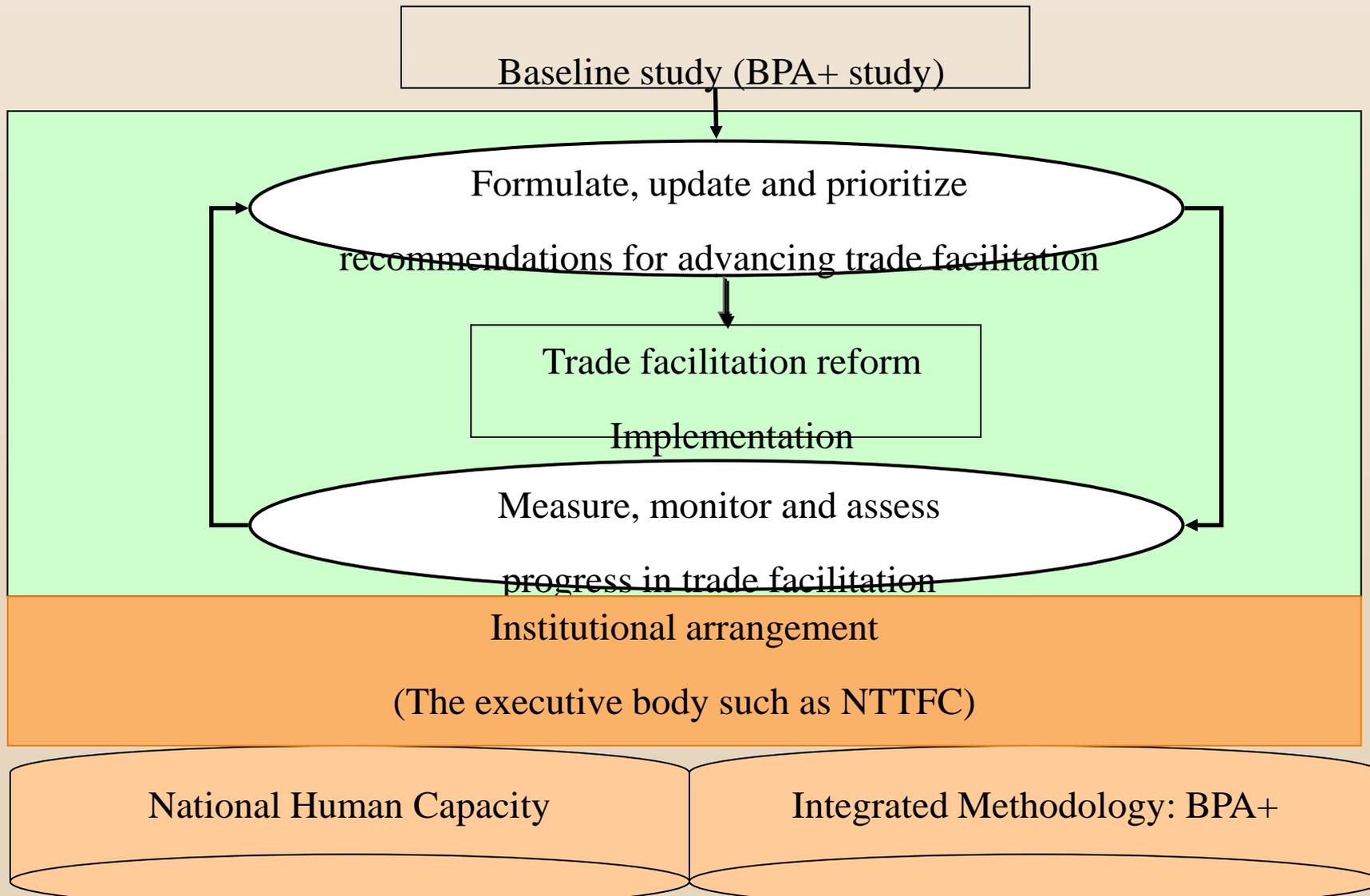
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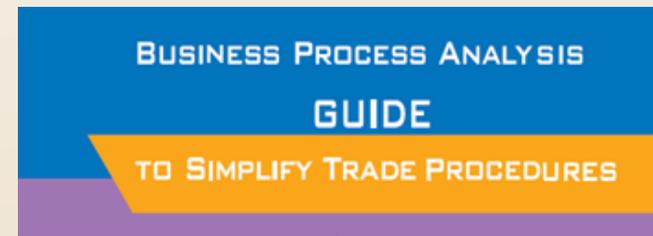
**Give** a man a fish and you feed him for a day; **Teach** a man to fish and you feed him for a lifetime



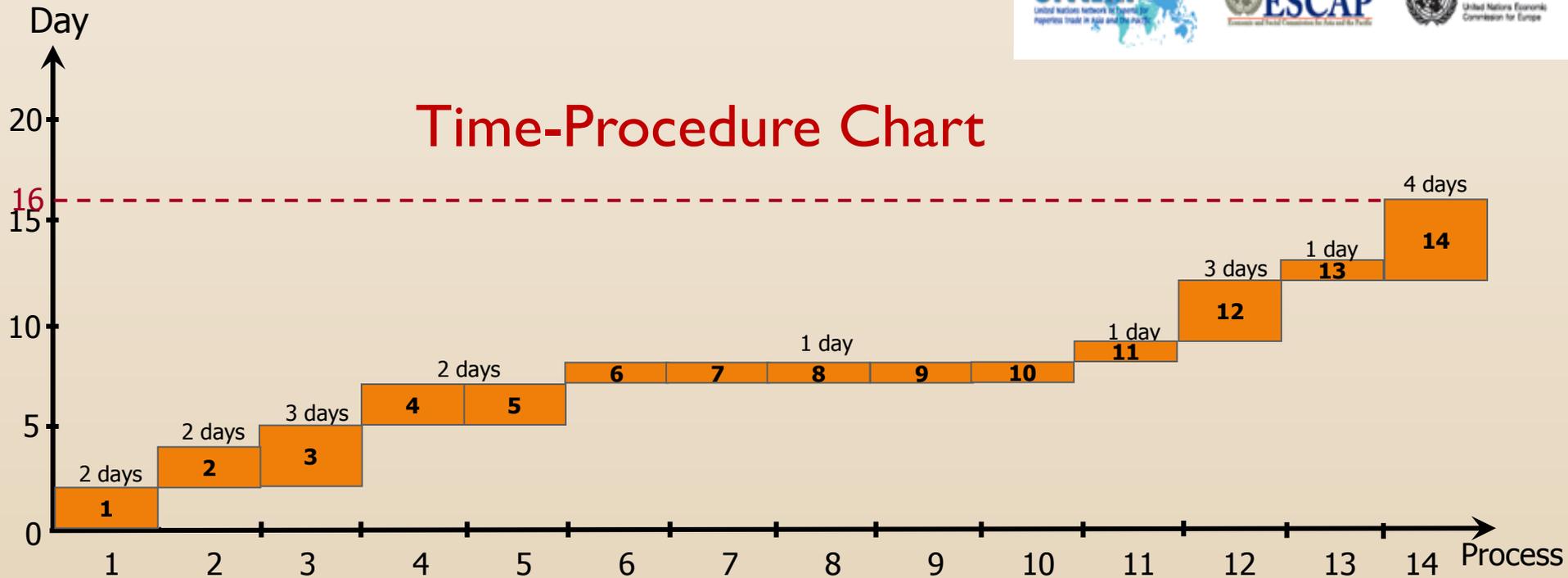
# Integrated and Sustainable Trade & Transport Facilitation Monitoring Mechanism (TTFMM)



# A Business Process Analysis



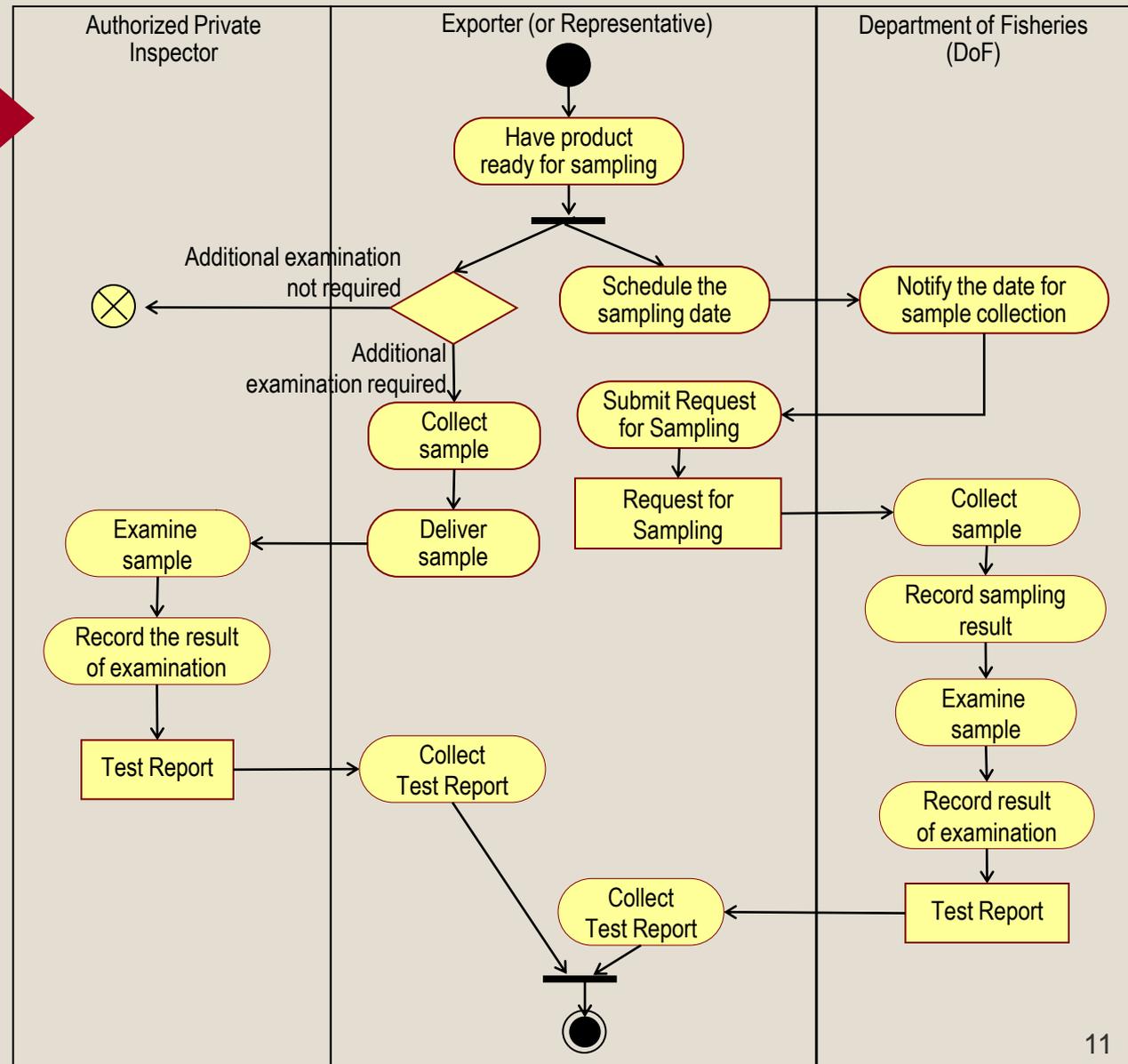
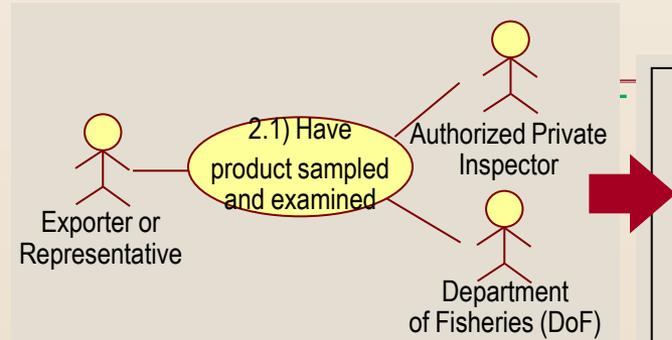
## Time-Procedure Chart



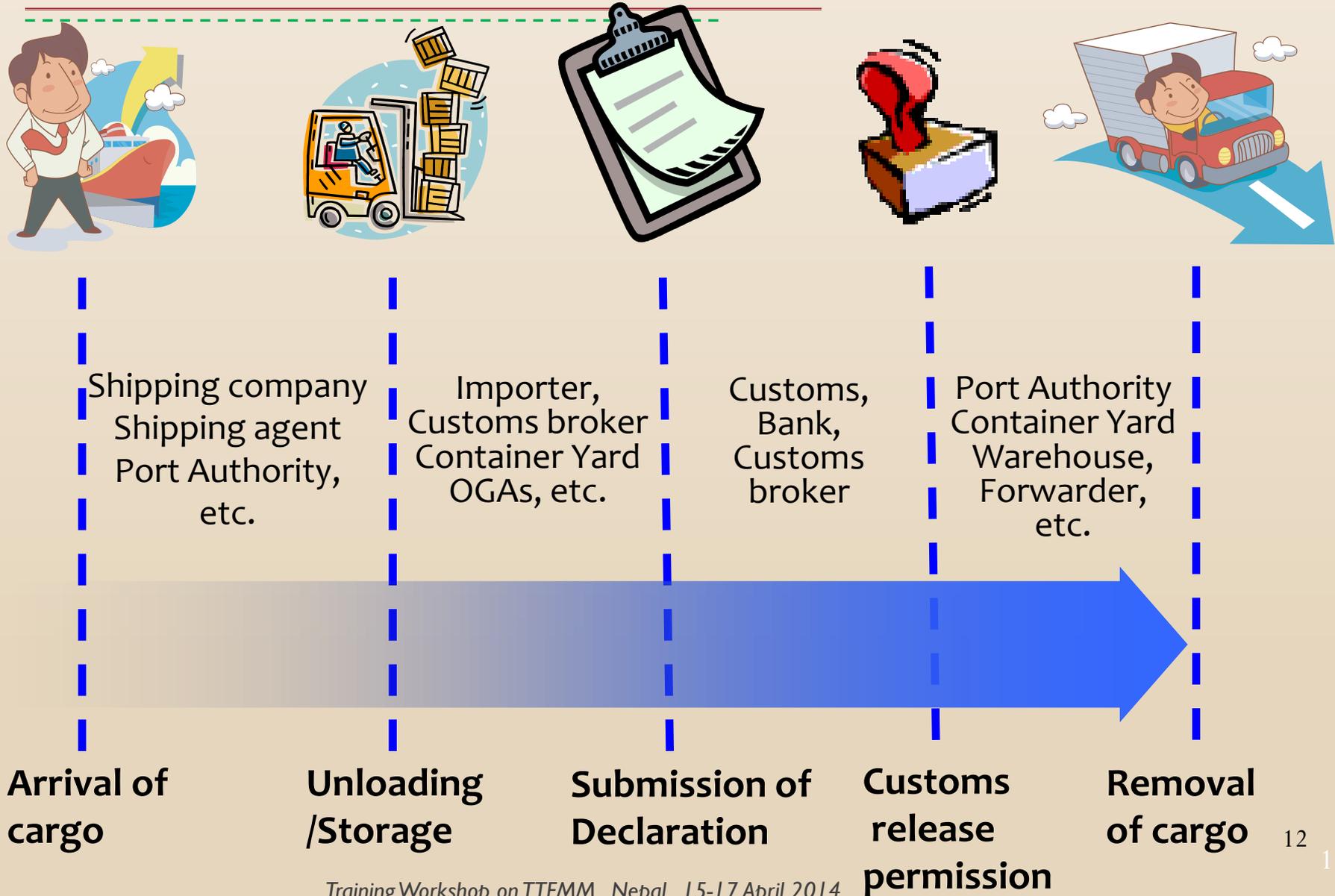
1. Buy - Conclude sales contract and trade terms
2. Obtain export permit
3. Arrange transport
4. Arrange the inspection and fumigation
5. Obtain cargo insurance
6. Provide customs declaration
7. Collect empty container(s) from yard

8. Stuff container(s)
9. Transfer to port of departure
10. Clear goods through customs
11. Handle container at terminal and stow on vessel
12. Prepare documents required by importer
13. Verify the accuracy/authenticity of exported cargo
14. Pay - Claim payment of goods

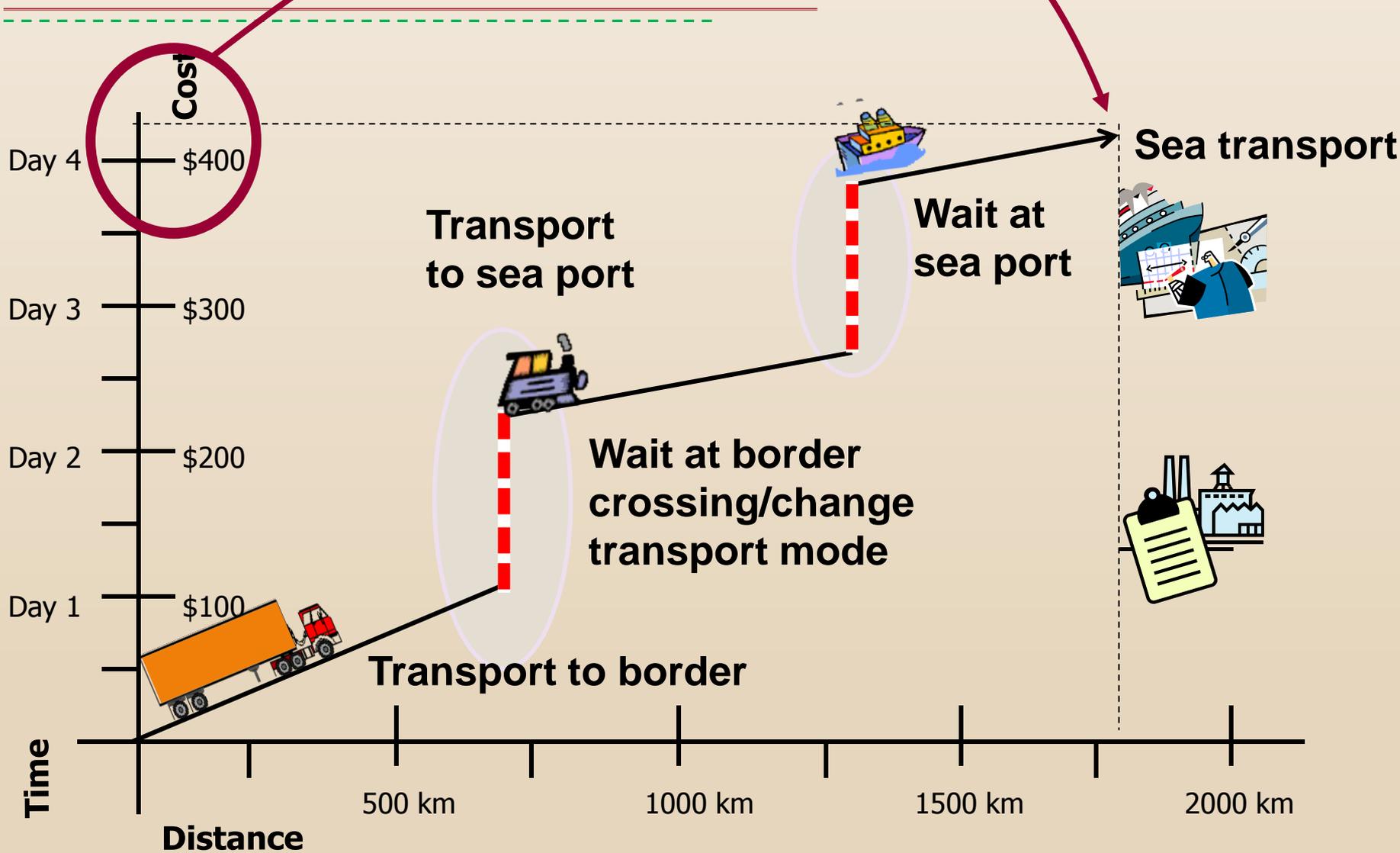
# Activity Diagram



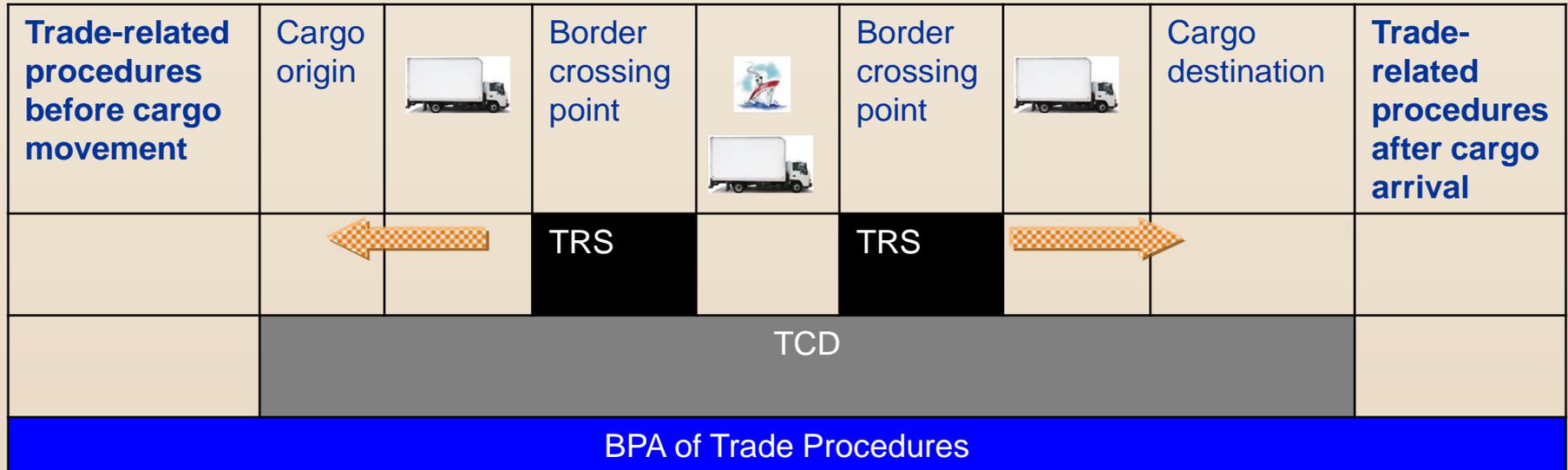
# What is TRS?



# The model



# TTFMM - Integrated Methodology: BPA +

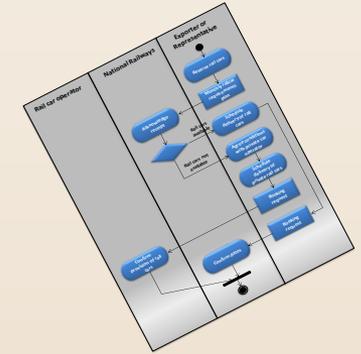


**Business Process Analysis** (BPA) for diagnosis of TF bottlenecks along entire supply chain

**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 country]

## ❖ An annual report

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

# TTFMM implementation in Nepal – Way forward

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- ❖ Building on SASEC BPA study 2012-13: ...
- ❖ **TTFMM BPA+ baseline study 2014**
  - ▶ Strategically important corridors
  - ▶ Trade process (import, export, transit?)
  - ▶ Products (for each corridor and trade process?)
  - ▶ Composition of study team
  - ▶ Timeline

# Proceeding of this workshop

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- ❖ 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**
- ❖ Day 3 Afternoon: Implementation Plan for TTFMM  
& BPA+ Baseline Study 2014

# Group exercises

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## Kathmandu-Birgunj-Raxaul - Kolkata

- ❖ Group 1: Kolkata
- ❖ Group 2: Birgunj-Raxaul
- ❖ Group 3: Birgunj dry port

## Kakarvitta-Panitanki-Fulbari-Banglabandha- Chittagong

- ❖ Group 4: Kakarvitta-Panitanki

Thank You

