

Background

- Bhutan is a landlocked country - cost of imports are higher, exports are less competitive and FDI less attractive
- Closest sea port used by Bhutan is over 700 kms away and land linking country is India infrastructure that is being used
- Efficient transit transport vital for Bhutan – lack of territorial access to sea port, high cost of air freight and recurrent increase of fuel places Bhutan at a disadvantage in global economy

Time Cost Approach

- Cost of various modes of transport vis a vis destination in Bhutan
- Cost due change in mode of tpt at Kolkata
- Dwell time due to transshipment
- Transshipment cost eg. documentation fees, transit charges and cargo clearance costs.
- value of time – longer the consignment takes greater implicit cost of working capital.
Kolkata dwell time & tpt time to pling

Customs Clearance at Kolkata

- Arrival notice from shipper.
- Issue of DO on production of original B/L & track goods through rotation & line no.
- Issue of LoG
- Customs pass out with LoG, packing list, invoice, copy of B/L
- Visit Dock/CFS – submit documentation to & pay port authorities for Container/LCL handling charges and physical verification eg. Checking of seal, no. of pks.

Issues for Bhutan

- Relation with linking country, free trade agreement, accession to regional bodies
- Inconsistent policies
- Asian highways, room for bilateral and multilateral transit agreements, possible connection via rail, establishment of dry port
- Economic situation in the country

Proposal

- Rail link to Bhutan to reduce tpt costs
- Explore use of waterways
- Establish dry port at pling
- Improved use of IT & information sharing bordering countries
- Establish harmonized & consistent transit transport agreements with our neighbours