

Transport Issues and Integration in South Asia

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1. INTRODUCTION

In a globalized economy, transport cost being a significant determinant of competitiveness; it makes an integrated and efficient transport network an essential element of the enabling environment. South Asia inherited an integrated transport system from the British, but this was fractured not only by the partition of India but by its political aftermath and now needs to be integrated again within the context of greater political harmony in South Asia, as it has entered into the second era of SAARC regional cooperation (SAFTA and Beyond). Due to lack of integration of the transport system in South Asia, the logistic costs are very high and ranges between 13–14 percent of GDP, compared to 8 percent in USA.

Integration of the transport network of South Asia is especially crucial to countries such as Nepal and Bhutan and regions such as north-east India. Such integration could serve to end their landlocked or semi-isolated status and provide shorter transport and transit links to their desired destinations including access to the sea.

Effective integration of the transport system in South Asia could also contribute greatly in enhancing access to remote areas, thereby bringing benefit of economic development to remote areas. But in order to make a real dent on poverty reduction, it is highly important to work out

strategies as to how to engage the bottom half of the people to get involved in the development process. Participation of these people through a small percentage of shares in the ownership of the industry or enterprise is the way. Thus broadening of ownership is crucial for poverty reduction.

A regional overview of the South Asian economy revealed that it has been one of the fastest growing economic regions in the world (averaging around 6 percent growth per year) in the recent years. Despite such a growth, the intraregional trade among the SAARC member states has been only around US\$10.48 billion in 2006, or around 5 percent of the total trade, compared to 45 percent in East Asia and 26 percent in ASEAN sub-region. This is happening despite the fact that tremendous potential exists to enhance such trade say up to US\$40 billion, once the political environment becomes supportive and transport network gets further improved and integrated.

During the second half of the twentieth century, the transport system of the mainland countries of South Asia has developed only in a national context, with little consideration given to cross-border issues of compatibility, uniformity of standards in infrastructure and in acquisition of rolling stock and equipments. Similar problems however, were not observed in the island member states of SAARC.

The 12th SAARC Summit in Islamabad in 2004, called for strengthening transport, transit and communications links across South Asia. The Secretariat pursued this decision, and conducted the *SAARC Regional Multimodal Transport Study* (SRMTS) during 2005–06, with financial assistance of ADB, with the main objective of enhancing multi-modal transport connectivity among SAARC member states.

The 14th SAARC Summit held in New Delhi in 2007 decided to pursue the implementation of SRMTS recommendations, and urged their Transport Ministers to oversee the task. The SAARC Transport Ministers met in New Delhi on 31 August 2007 and decided to pursue the following sub-regional projects, proposed by only three member states.

1.1 Projects Proposed by Bhutan

1. Establishment of modern border-crossing facility including immigration, parking, and cargo handling facilities at Phuentsholing.
2. Procurement of cargo handling equipments namely, fork lifts with a capacity up to 5 mt. and cranes having carrying capacity up to 30 mt., to enhance physical facilities at the Customs Complex at Phuentsholing.

1.2 Projects Proposed by India

1. Birgunj–Katihar–Singhabad–Rohanpur–Chittagong railway corridor, with links to Jogbani, Biratnagar and Agartala.
2. Kathmandu–Birgunj–Kolkata/Haldia.
3. Agartala–Akhaura–Chittagong rail corridors.
4. Air-connectivities: Male–New Delhi and Islamabad–New Delhi.

1.3 Projects Proposed by Sri Lanka

1. Rail Corridor No. 5 between Colombo and Chennai.
2. Ferry Service between Colombo and Cochin and Colombo and Tuticorin as two pilot projects.

The Ministers' meeting decided that the Member States through mutual consultations may consider the viability/desirability of these projects. The matter could be considered again at the Third Meeting of the Inter-Governmental Group on transport, to be held in Colombo, in October/November 2008. But the trend set at the first meeting of Transport Ministers in New Delhi has not been very encouraging. As such certain dynamic initiative needs to be taken to ensure that something tangible happens within a short period.

2. MAJOR TRANSPORT PROBLEMS AND CONSEQUENCES OF NON-COOPERATION

The surface transport networks in South Asia still continue to remain fragmented due to various historical, political, and economic reasons as well as lack of cooperation among the member countries. As a result their potential as engines of economic growth at the regional level remains largely unrealized. This is happening despite the fact that the basic infrastructure and facilities to establish mutually beneficial intra- and inter-regional transport linkages already exist in many countries. The absence of such integration and continued non-cooperation in transport are having adverse impact on economic competitiveness of the countries, and they are losing on many fronts.

A container takes 35 days to move from New Delhi to Dhaka, as the maritime route is via Bombay and Singapore/Colombo to Chittagong

Port and then by rail to Dhaka. But the same container could have reached Dhaka within 5 days, if direct rail connectivity was there between New Delhi and Dhaka.

Similarly, for moving a container from Dhaka to Lahore, it is now required to travel 7,162 km by sea has instead of 2,300 km, because overland movement across India is not allowed. Transport cooperation among Bangladesh, India and Pakistan could have restored movement along shorter routes.

Since Pakistan has been denying facilities for overland trade between India and Afghanistan, New Delhi and Teheran are now jointly developing a transport corridor from India to Afghanistan and Central Asia through Iranian port of Chaubahar. This will become the key corridor to rapid expansion of economic cooperation between New Delhi, Kabul, and Central Asia.

Due to lack of adequate transport cooperation between India and Bangladesh, India and Myanmar are jointly implementing “Kaladan project” to link Sittwe port of Myanmar with Mizoram State of India, partly through Kaladan River and partly by road. This would be quite an expensive alternative for India to have access to north-east India via Sittwe port, Kaladan River and road, as an alternative to the existing route through the chicken neck. If there was transport cooperation with Bangladesh, India could have got a much shorter route across Bangladesh.

Indicated below are some of the major problems and their consequences, by different mode of transport.

2.1 Road Transport

Currently movement of trucks across the international frontier is constrained by lack of cross-border agreements between Bangladesh and India, as well as India and Pakistan. As a result, transshipment of cargo takes place at the border, which increases transport costs. Benapole/Petrapole route between India and Bangladesh carries the heaviest traffic by road, accounting for about 80 percent in terms of value. Currently, around 300 trucks are moving daily across this border point.

Between India and Nepal, Birgunj, Bhairahawa, and Biratnagar handle between them around 80–85 percent of the total international traffic of Nepal. India allows trucks from Nepal to operate on designated transit routes within India. Indian trucks are allowed anywhere into Nepal, but are given a limit of 72 hours to return to India. Nepalese trucks need permits for every trip to India with a validity of three months, but they

are allowed to travel freely up to the nearest market towns and railheads in India.

India allows trucks from Bhutan to operate on designated transit routes within India, it also allows Bhutan to use Phuentsholing (Bhutan)–Changrabandha (India)–Burimari (Bangladesh) land route for their trade with Bangladesh, but this corridor is not allowed for third country trade.

India allowed a transit between Nepal and Bangladesh across the “Chicken neck,” for bilateral trade only, and not for the third country trade of Nepal, which now has to pass through already congested Kolkata port. If transport cooperation was there, Nepal could have used Mongla port in Bangladesh, which has spare capacity.

The shipment of Assam tea to Europe is required to travel 1,400 km to reach Kolkata port along the “Chicken neck,” since no agreement exists for India to use the traditional route through Chittagong port which would be shorter by 60 percent. The Southern border of Tripura State is only 75 km from Chittagong port, but goods from Agartala are required to travel 1,645 km to reach Kolkata port through the “Chicken neck.” If transport cooperation were there, goods would have traveled only around 400 km across Bangladesh to reach Kolkata.

With regard to passenger movement, there are two established routes between India and Bangladesh. The Dhaka to Kolkata and vice versa direct bus operation started in 1999 and has been doing well. The Dhaka–Agartala bus operation started in 2003, but still struggling to be a profitable route. On February 2005, two Bangladeshi private transport companies—“Shamoli Paribahan” and “SR Travels” jointly started the bus service between Dhaka and Siliguri (West Bengal) in cooperation with a private sector operator of Indian TATA Sumo minibuses.

Between Delhi and Lahore, cross-border bus services once a week in either direction started in 1999 but it was suspended in January 2002. These services resumed operation again from July 2003. The landmark fortnightly bus service between India and Pakistan-administrated Kashmir was launched on 7 April 2005 for the first time in nearly 60 years. Recently another two bus services between Lahore and Amritsar and Nanakana Sahib and Amritsar have commenced.

2.2 Rail Transport

Railway has great potential as a mode of surface transport for long distance freight traffic. But its use is constrained by the technical problems

related to different gauges, track structures and signaling, and incompatible rolling stocks. The absence of a multilateral agreement for direct intraregional movement has also been a main constraint, and as a result the full potential of railway as a mode of transport has not been fully realized.

Currently, three broad gauge (BG) rail corridors are active for export and import traffic between India and Bangladesh. On the western side, between Pakistan and India, there are two BG corridors that are currently providing connectivity, although one crossing is restricted to passenger movement only. There is limited freight movement by rail between India and Pakistan.

Indian freight trains travel only up to the border stations inside Bangladesh and Bangladesh Railway (BR) locomotives then pull the Indian wagons up to a short distance inside the country where transshipment takes place. BR wagons also do not cross the Indian border, as the rolling stock is incompatible with the air-braked stock of Indian Railways. Present load restriction over Jamuna Bridge in Bangladesh prohibits the movement of broad gauge fully loaded wagons across the bridge, although a dual gauge railway network now exists up to Dhaka. Recent investigation, however, revealed that fully loaded ISO containers on low platform flat cars of CONCOR can move over Jamuna Bridge, without any load restrictions.

Between India and Nepal, rail movements are entirely on broad gauge railway link connecting Kolkata port and other destinations in India with Birgunj ICD that started operation in July 2004. There is limited freight movement by rail between India and Pakistan.

Passenger movement by railway takes place between India and Pakistan. The Samjhauta (friendship) Express resumed its operation in January 2004, after more than 2 years suspension of services. The twice-weekly passenger train operates between Lahore and Attari (India) opposite Wagah in Pakistan. The overnight train from Delhi arrives at Attari where passengers get into Samjhauta Express for their onward journey to Lahore. Another train connection was inaugurated in February 2006 on the south-western side of India between Munabao–Khokhrapar to link Karachi with Jodhpur in India.

Passenger movement by rail between Dhaka and Kolkata started again on 14 April 2008 after 43 years, two trains operate in each direction during the weekend (Saturday–Sunday), and it is a journey of around 14 hours, which is considered very long, as the distance is only around 400 kilometers.

2.3 Inland Water Transport

Indian transit traffic and Indo-Bangladesh bilateral traffic regularly travel along two designated Inland Water Transport (IWT) Protocol routes across Bangladesh. These routes are highly underutilized, partly due to lack of adequate drafts, navigational aids, and partly due to limited number of ports of call and non-renewal of the Protocol for longer periods.

2.4 Maritime Transport

Traditionally maritime transport has been a dominant mode of transport in South Asia, in terms of carrying international trade of the SAARC member states. In this process, a number of maritime gateways flourished over the years and have been contributing a great deal in the socio-economic development of the member states.

2.5 Air Transport

Even though air transport has seen phenomenal growth over several decades, the SAARC region lags behind many other regions in terms of its usage of air travel. Connectivity between the regional centers, especially the capital cities in terms of direct flights is still very low and many capitals are not directly connected. The cost of travel is relatively high when compared to other regions. Moreover, the region has not developed strong hub operations for efficient regional transfers.

2.6 Border Crossing Problems

Considerable difficulties also exist at the land border crossings. Besides lack of bilateral agreements, other constraints include inefficient customs operations, lack of transparency in inspection procedures, informal payments and inadequate preparation of customs documentation by shippers, etc. None of the borders yet have online customs IT connectivity to facilitate clearances.

Banking, medical, communication, warehousing, security, and fire fighting facilities are deficient and wayside amenities are absent in many cases. Due to lack of adequate parking areas for trucks, vehicles are parked on the road creating acute congestion. At most of the border points, there is only one exit route for both passengers and goods.

A quick analysis of the various impacts of non-cooperation revealed that these are substantial and all the main land South Asian countries are incurring these losses. To address these impacts, and to facilitate smooth and uninterrupted movement across South Asia, it is highly important to identify certain priority corridors that could provide shorter and efficient connectivity among the countries concerned and to the outside world.

3. IDENTIFICATION OF SAARC TRANSPORT CORRIDORS/GATEWAYS

In order to address the consequences of non-cooperation in transport, along side the mobilization of political support, it was also considered necessary to identify certain SAARC corridors/gateways to provide shorter and efficient transport connectivity. An attempt was, therefore, made to identify selected corridors and gateways which could be developed further to establish an integrated transport system in South Asia for smooth and efficient movement of both goods and passengers across the sub-region.

The corridors and gateways identified under different modes are indicated below.

3.1 Regional Road Corridors

In the road sector, a total of 18 regional road corridors (both existing and potential) were identified under Phase I of SRMTS. After careful application of the criteria established earlier, the 10 road corridors of greater regional significance were identified for further detailed assessment (Table 7.1).

3.2 Regional Rail Corridor

An exercise similar to road corridors was undertaken to identify rail corridors of regional significance. Under Phase I of SRMTS, the country studies identified 15 existing and potential rail corridors for further consideration. After applying the selection criteria similar to those in road corridors, the five rail corridors of greater regional importance were identified for detailed assessment (Table 7.2).

TABLE 7.1 Selected Regional Road Corridors for Priority Attention

| | <i>Corridor</i> | <i>Countries</i> | <i>Basis of selection</i> |
|-------|--|---------------------------------|---|
| SHC 1 | Lahore–New Delhi–Kolkata–Petrapole/Benapole–Dhaka–Akhaura/Agartala | Pakistan, India, and Bangladesh | Potential to carry major intraregional traffic and Potential to providing shorter route leading to transport cost savings |
| SHC 2 | Kathmandu – Birgunj/Raxaul–Kolkata/Haldia | Nepal and India | Access to landlocked Nepal to Indian ports |
| SHC 3 | Thimphu–Phuentsholing–Jaigaon–Kolkata/Haldia | Bhutan and India | Access to landlocked Bhutan to Indian ports |
| SHC 4 | Kathmandu–Kakarvitta–Phulbari – Banglabandha–Mongla/Chittagong | Nepal, India, and Bangladesh | Access to landlocked Nepal to Bangladeshi ports |
| SHC 5 | Sandrop Jongkhar–Guwahati–Shillong–Sylhet–Dhaka–Kolkata | Bhutan, India, and Bangladesh | Potential to providing shorter route leading to transport cost savings |
| SHC 6 | Agartala–Akhaura–Chittagong | India and Bangladesh | Shorter access to Chittagong port for Indian north-eastern States |
| SHC 7 | Kathmandu–Nepalganj–New Delhi–Lahore–Karachi | Nepal, India, and Pakistan | Potential of the corridor to carry future traffic |
| SHC 8 | Thimphu–Phuentsholing–Jaigaon–Burimari–Mongla/Chittagong | Bhutan, India, and Bangladesh | Access to landlocked Bhutan to Bangladeshi ports |
| SHC 9 | Maldha–Shibganj–Jamuna Bridge (Bangladesh) | India and Bangladesh | Potential to provide direct connectivity to carry future traffic |
| SHC10 | Kathmandu–Bhairahawa–Sunauli–Lucknow | Nepal and India | Potential of the corridor to carry future traffic |

Source SRMTS 2006, 25, Table 4.

3.3 Regional Inland Waterways Corridors

After careful application of the criteria established earlier, two IWT corridors of greater regional significance were selected for detailed assessment (Table 7.3).

TABLE 7.2 Selected Regional Rail Corridors for Priority Attention

| | <i>Corridor</i> | <i>Countries served</i> | <i>Basis for selection</i> |
|-------|---|------------------------------------|---|
| SRC 1 | Lahore (Pakistan)–Delhi/ Kolkata (India)–Dhaka (Bangladesh)– Mahishasan–Imphal (India) | Pakistan, India, and Bangladesh | Potential growth of intraregional traffic. Reduced distance and shorter transit time. |
| SRC 2 | Karachi (Pakistan)– Hyderabad–Khokrapar– Munabao–Barmer– Jodhpur (India) | Pakistan and India | Shorter route for intra- regional traffic. Access to Karachi Port and potential third country traffic. |
| SRC 3 | Birgunj (Nepal)– Raxaul–Haldia/ Kolkata (India) | Nepal and India | Access to the landlocked Nepal. Potential corridor for third country and bilateral traffic. |
| SRC 4 | Birgunj (Nepal)–Raxaul– Katihar (India)– Rohanpur–Chittagong (Bangladesh) with links to Jogbani (Nepal) and Agartala (India) | Nepal, India, and Bangladesh | Access to Chittagong Port for Indian and Nepalese traffic. Shorter route for north-eastern states of India through Bangladesh. |
| SRC 5 | Colombo (Sri Lanka)– Chennai (India) | Sri Lanka and India | Restoration of old rail ferry link to provide passenger and goods access from the island Sri Lanka to mainland South Asia. |

Source SRMTS 2006, 27, Table 6.

TABLE 7.3 Selected Regional IWT Corridors for Priority Attention

| | <i>Corridors</i> | <i>Countries served</i> |
|--------|---|-------------------------|
| SIWC 1 | Kolkata–Haldia–Raimongal–Mongla– Kaukhali–Barisal–Hizla–Chandpur– Narayanganj–Aricha–Sirajganj–Bahadurabad– Chilmari–Pandu | India and Bangladesh |
| SIWC 2 | Kolkata–Haldia–Raimongal–Mongla– Kaukhali–Barisal–Hizla–Chandpur– Narayanganj–Bhairabbazar–Ajmiriganj– Markuli–Sherpur–Fenchuganj–Zakiganj– Karimganj | As above |

Source SRMTS 2006, 29, Table 8.

3.4 Regional Maritime Gateways

The sea ports being the gateways of a country, these play a significant role in its socio-economic development. Even after major development of roads and rail transport in the recent decades, maritime transport continued to play a dominant role in carrying international trade.

The country reports, prepared under Phase I of SRMTS identified 19 maritime gateways that are playing significant role in carrying the international trade of SAARC countries. After careful application of the criteria established earlier, 10 Maritime Gateways were selected for further assessment (Table 7.4).

TABLE 7.4 Selected Regional Maritime Gateways for Priority Attention

| <i>SAARC state</i> | <i>Principal ports for SAARC trade</i> | <i>Basis of selection</i> |
|--------------------|--|---|
| Pakistan | Karachi | Potential to handle future traffic |
| | Port Bin Qasim | Potential to handle future traffic |
| India | J.N.P.T. | Potential to handle intra-SAARC traffic |
| | Kolkata/Haldia | Ability to provide access for landlocked countries to sea ports |
| | Cochin | Potential to handle intra-SAARC traffic |
| Bangladesh | Tuticorin | Potential to handle intra-SAARC traffic |
| | Chittagong | Ability to provide access for landlocked countries and regions to the sea ports |
| | Mongla | |
| Sri Lanka | Colombo | Potential to handle international and intraregional container traffic as a hub port |
| Maldives | Male | Potential to handle future traffic |

Source SRMTS 2006, 30, Table 10.

3.5 Regional Aviation Gateways

At present there are 20 airports within the SAARC region from which there are flights to other regional destinations. In addition, five gateways were proposed for consideration, as they have the potential to develop as regional gateways in the near future.

To identify gateways of most significance for intraregional transport, after applying the criteria established earlier, 16 aviation gateways were selected for further assessment (Table 7.5).

TABLE 7.5 Selected Regional Aviation Gateways for Priority Attention

| <i>Airport</i> | <i>Country</i> | <i>Rank/feature for consideration</i> |
|--------------------|----------------|---------------------------------------|
| Dhaka | Bangladesh | Ranked 5 |
| Paro | Bhutan | Ranked 16 |
| Delhi | | Ranked 2 |
| Mumbai | | Ranked 6 |
| Chennai | | Ranked 3 |
| Kolkata | | Ranked 10 |
| Thiruvananthapuram | | Ranked 9 |
| Begaluru | | Ranked 11 |
| Tiruchirapalli | | Ranked 15 |
| Kochi | | Ranked 12 |
| Hyderabad | India | Ranked 14 |
| Male | Maldives | Ranked 4 |
| Kathmandu | Nepal | Ranked 8 |
| Karachi | | Ranked 6 |
| Lahore | Pakistan | Ranked 12 |
| Colombo | Sri Lanka | Ranked 1 |

Source SRMTS 2006, 30, Table 14.

4. PHYSICAL AND NON-PHYSICAL BARRIERS ALONG IDENTIFIED CORRIDORS/GATEWAYS

To enhance transport connectivity among SAARC member countries and to promote seamless movement across the border, an assessment was made of both physical and non-physical barriers along the identified corridors and gateways. Some of the major findings are highlighted below.

4.1 Barriers in Road Corridors

Out of a total length of 8,800 km (for 10 road corridors identified), 36 percent are four or more lanes paved road and 57 percent are two lane paved roads. The remaining roads (around 7 percent) are of poor quality, having either narrow lane (3.5 to 5.5 m) and/or having poor surface conditions, located mostly in Bangladesh, Bhutan, India, and Nepal.

Some of the other important *physical barriers* identified included lack of parking, immigration and customs offices, baggage scanning equipments, telephone and warehousing at several border posts, as well

as absence of EDI/IT, and use of cumbersome and complicated customs procedures including lack of transparency in inspection. The most crucial *non-physical barrier* was found to be the lack of a bilateral transport agreement to facilitate uninterrupted movement of goods and vehicles across the borders.

4.2 Barriers in Rail Corridors

The major *physical barriers* included the lack of standardization of technologies, operation and maintenance practices, and use of different gauges, braking systems, incompatibility of rolling stock, etc. Other major physical barriers included inadequate loop lengths, missing links of shorter lengths in the borders areas, lack of physical infrastructure at interchange points, load restrictions on bridges, lack of coordination in gauge conversion programs of Indian and Bangladesh railways, and capacity constraints in certain sections of the identified corridors.

Concerning *non-physical barriers*, the most crucial one was the lack of a multilateral rail transport agreement. Other non-physical barriers included manual handling of documentation, duplication of customs checks, limited working hours, restrictions on movement of containers, open wagons and oil tankers, unidirectional traffic and the suspension of rail-cum-ferry services between Sri Lanka and India.

4.3 Barriers in Inland Waterways Corridors

It was observed that IWT corridors serve the interest of only Bangladesh and India, where levels of traffic both intra-country and transit had been reducing over the years, although during certain periods bilateral traffic has been substantial. It was, however, recognized that inland waterways transport has great potential to provide a cost-effective transport service between India and Bangladesh. To this end, one of the most crucial *non-physical barriers* identified was the renewal of the Protocol between India and Bangladesh for shorter periods. But this issue has now been addressed.

Some of the *major physical barriers* identified in the regional inland waterways included high rates of siltation, bank erosion, inadequate navigational aids and draft restriction, as well as poor condition of jetties, piers, lack of sufficient storage, poor condition of cargo handling equipments and support crafts. In addition there is no container handling

facilities in inland water transport system. Cargo carrying vessels are also old, repair facilities inadequate and hinterland connectivity of the inland ports as well as cargo transfer facilities was found to be poor.

4.4 Barriers in Maritime Transport Gateways

In the context of regional maritime gateways, the major physical barriers included capacity constraints at many of the ports, together with heavy siltation at channels where depths fluctuate with tide. Channel markings were also not found to be adequate and suffered from poor maintenance. Cargo and ship handling equipment, as well as floating crafts were found to be quite old in many ports. Poor road and rail connectivity lack of ICDs and CFS were other major physical barriers, besides lack of ro-ro ferry vessels and passenger handling facilities at Cochin and Tuticorin.

The non-physical barriers, which were found to be impacting port performances, included lack of professional management and computerization, as well as lack of EDI/IT to link up stakeholders. Customs procedures were found to be too complicated, cumbersome port documentation was still in use and labor unrest were also noted in some maritime gateways. The absence of a bilateral agreement for ferry service between Colombo and Tuticorin/Cochin was also noted as a major non-physical barrier.

4.5 Barriers in Aviation Gateways

With regard to aviation gateways, the *major physical barriers* included capacity constraints at several airports for both passengers and cargo, in terms of runways, parking areas for aircrafts, passenger handling areas, cargo processing facilities (green channel, cold storage, etc.), as well as security and baggage handling facilities. It was also observed that in Bangladesh Biman, many of the aircrafts were quite old and needed replacement. The situation has, however, changed recently, as Bangladesh Biman, has already placed order for purchasing a large number of new aircrafts.

In case of *non-physical barriers*, major constraints included the limited number of direct flights between the capitals resulting in the need for transfers and involvement of travel even outside the region, the low use of air travel compared to economic conditions, the higher air fare and airport charges compared to other regions and visa restrictions.

5. ADDRESSING THE BARRIERS

Since South Asia has now entered into the second era of SAARC regional cooperation (SAFTA and Beyond), it is crucial that a target or vision is set for integration of South Asian transport system, particularly in view of the commitments made by the South Asian leaders in the 12th SAARC Summit in Islamabad in 2006 and in the 14th SAARC Summit in New Delhi in 2007. The “Vision” should target at achieving uninterrupted movement of goods and vehicles across the countries of South Asia. The vision should call for actions to achieve the following targets to reduce transportation costs:

1. Integration of the transport system of South Asia covering all modes.
2. Improvement/rehabilitation of the weaker and unused sections and completion of missing links.
3. Improvement of cross-border facilitation measures (software), including improvement of physical facilities at the border crossing.

In order to achieve the targets set above, huge investment would be needed together with strong political commitment of South Asian leaders. According to certain estimates presented by Prabir De, to sustain 8 percent regional GDP growth, South Asia needs US\$108 billion every year (about 12 percent of regional GDP) in modernizing the physical infrastructure sector. The need for a “regional infrastructure fund” is also being talked about to support the infrastructure deficit. In this context, exchange of experiences in infrastructure financing and development among countries of the region could go a long way in improving the regional infrastructure and connectivity.

To address the various physical and non-physical barriers indicated in the earlier section, an in-depth exercise was undertaken to identify measures that could be adopted, and details of these are included in the SRMTS final report, June 2006. Since the type of measures proposed were too many, an attempt was made here to prioritize the core issues that should receive immediate attention of the SAARC governments and other stakeholders to establish efficient multimodal transport connectivity together with efficient border-crossing facilitation measures. The measures, which could be taken to address the major barriers in different modes, are indicated below.

5.1 Regional Road Corridors

Improvement of Facilitation Measures at Border Crossing:

- Development of transport and transit agreements between India, Bangladesh and Pakistan to facilitate smooth movement of freight and passenger vehicles across the border.
- Adoption of facilitation measures and simplified customs procedures for efficient clearance of goods across the border points.
- Strict enforcement of restrictions on overloading of vehicles in each of the SAARC member states in order to reduce the damage of the selected corridors.
- Development of modern physical facilities at border crossings (on both sides), between India and its neighbors in order to facilitate movement of both passengers and freight.

Improvement of Transport connectivity:

- Improvements of certain stretches of the roads in Bihar, West Bengal, Bangladesh, and Bhutan, to assist Nepal, Bhutan, India, and Bangladesh in reducing transit costs;
- The last few kilometers of road corridors up to the international borders to be treated as part of National Highways in all SAARC countries, and developed accordingly.

5.2 Regional Rail Corridor

Improvement of Facilitation Measures:

- Development and adoption of a multilateral rail transport agreement by the SAARC member states to facilitate smooth movement across the region.
- Simplification and standardization of documentation, elimination of double customs checking, introduction of IT to enable data transfer, to facilitate faster clearance of goods/vehicles at border crossing.
- Bangladesh Railway to ensure quicker return of Indian rolling stocks to reduce their turn around time.

Improvement of connectivity and standardization of Technology:

- Augmentation of sectional capacity along the identified corridors namely Delhi–Mughalsarai; Sunggauli–Muzaffarpur; Mauasi–Katihar;

and Tongi–Akhaura to handle the projected and potential growth of intraregional traffic.

- Provision of adequate loop lengths, efficient transshipment facilities, etc., at border crossing and interchange points.
- Construction of missing links between Jodbani–Biratnagar, Akhaura–Agartala, Jiribam–Tupul (Imphal), and re-commissioning sections such as Kulaura–Shahbazzpur, and Medawachchiya–Talaimannar.
- Strengthening of bridges (Jamuna for example) and introduction of ways to enable through movement of containers across the region.
- Standardization of technologies, including track, rolling stock, and signaling. Coordination among Bangladesh and Indian railways gauge conversion programs.

5.3 Regional Inland Waterways

Improvement of Facilitation Measures:

- The existing inland waterways protocol between Bangladesh and India to be renewed, each time, for longer periods, say up to 3–5 years.
- In order to make intercountry traffic movement by IWT attractive, more ports of call in Bangladesh to be allowed.

Investment needed to revive IWT:

- Joint assessment to be made by Bangladesh and India of the future role that inland waterways could play in carrying intercountry and Indian transit traffic, and whether such role would justify investments in dredging, installation, and maintenance of navigational aids and vessels replacement.

5.4 Regional Maritime Gateways

Improvement of Maritime Infrastructure:

- Expansion of port capacity, especially to handle more container traffic, particularly at Colombo (as the regional hub), Chittagong, Haldia, and Male.

- Planning and augmentation of rail, road, and pipeline connectivity at all regional ports.
- Improved dredging and marking of channels, especially at Chittagong, Colombo, Kolkata/Haldia, and Port Qasim.

Improvement of facilitation measures and port management:

- Improvement of port and trade facilitation measures to reduce dwell times of vessels.
- Introduction of professional management capability and private sector involvement in port development and operations.
- Re-commissioning of Passenger Ferry Service between India and Sri Lanka.

5.5 Regional Aviation Gateways

Improvement of Infrastructure Facilities:

- Development and modernization of international passenger terminals, especially at Bhutanese, Indian, and Nepalese airports.
- Improvements in radar systems/ILS to increase runway capacity to international maximums.

Improvement of Facilitation Measures and airport management:

- Assessment of adequacy of layout, staffing, and IT aids for immigration, customs, and security facilities at all airports for both passengers and cargoes.
- Introduction of commercial practices in airport management and encouraging private sector in development and management of airports.
- Promotion of low-cost carrier concept by each country, wherever it is feasible.

6. CONCLUSIONS AND WAY FORWARD

In order to achieve effective integration of the transport system of South Asia, a number of important initiatives need to be pursued, as indicated below.

6.1 Mobilization of Political Support

In order to mobilize political support, it is essential to ascertain the real dimensions of the political constraints and types of reservations that are obstructing integration of the transport system in South Asia. To this end, dialogues could be organized involving the entire civil society in each of the South Asian countries, to find the real scope and depth of the political reservations, so that some solutions acceptable to the politicians could be found. Representatives of Intelligence Agencies need to be involved in the dialogues to ascertain if there is any security issue that needs to be addressed to facilitate integration.

6.2 Various Issues Need to be Addressed Together

An informal consultation with some of the SAARC member countries revealed that problems related to transport integration cannot be resolved in isolation. These need to be looked into together with other outstanding problems in trade, environment, water sharing, border disputes, etc. According to those SAARC countries, the entire range of issues, which are standing on the way to establishing a “South Asian Community” and “SAARC transport Connectivity” should be addressed together, first bilaterally and then as a South Asian group, with a view to resolve most of them together. Strong political commitments are, however, needed to address these diversified problems together.

6.3 Cost of Non-cooperation Needs to be Highlighted

A process of awareness creation through dialogues, about the mutual benefit of transport integration, or cost of non-cooperation among countries, based on a study could go a long way in persuading the political leadership about the importance of transport integration. This study could focus on a number of selected corridors/routes which could provide cost-effective connectivities *vis-à-vis* existing inefficient and long routes. Estimate of benefit should be based on potential traffic/trade that could be generated once the selected corridors/routes are available to regional traffic movement, so as to establish that it would be a win-win situation for all countries involved.

6.4 Major SAARC Countries Need to take Bold Steps

To make progress beyond what has been achieved so far, the member countries of SAARC will have to take bold decisions and make further political commitment toward integration. At the SAARC Transport Minister's meeting held on 31 August 2007 in New Delhi, only a few barriers standing on the way to regional transport integration were picked up for consideration. Unless the major countries such as Bangladesh, India, and Pakistan take the initiative to address the barriers identified, by SRMTS, it is going to take a very long time before a major breakthrough could be expected.

6.5 Integration would Need Nominal Resources

The SAARC member countries, given their physical and cultural proximity and shared history and heritage, form a natural area for integration. Most of these countries once formed part of an integrated economy, and yet they probably constitute one of the less "internally connected" sub-regions in the world today. The integration of the SAARC transport networks would, therefore, largely involve a reintegration of existing infrastructures, requiring minimum commitment of economic resources.

6.6 Need to Involve People at Large

The European Union and, to a lesser degree, ASEAN were both successful in moving their own respective regional processes forward essentially because the peoples of those countries were convinced that such cooperation was in their larger interest, and this translated to the leadership level through the domestic and regional political dynamics that gradually strengthened a sense of regional identity. But this has been greatly lacking in the South Asian region.

It is, therefore, essential that concerted efforts are made by all stakeholders, the governments, the private sector, and the civil society at large, to bring about a change in the political mind-set of the leaders, so that a long lasting solution can emerge. The Civil Society Institutions in the member countries should take the initiative to organize the dialogues referred to above. Unless this challenge of integration is addressed soon with seriousness, the countries of South Asia in general, and the

land-locked countries/regions in particular, stand the risk of foregoing many of the economic opportunities that the process of globalization could have provided.

NOTE

1. This paper has heavily drawn from the “SAARC Regional Multimodal Transport Study (SRMTS),” prepared by SAARC Secretariat in June 2006. The Author was the team leader of that study.

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