

Demystifying Non-Tariff Barriers to India-Bangladesh Trade in Agricultural Products and their Linkages with Food Security and Livelihood

CUTS with the support of USAID has conducted an in-depth study on '*Demystifying Non-Tariff Barriers to India-Bangladesh Trade in Agricultural Products and their Linkages with Food Security and Livelihood*'. In this regard, CUTS is organizing a half day event at Hotel Hindusthan International, Kolkata with relevant stakeholders to deliberate on the research findings, share insights from various stakeholder groups and list our specific and prioritized solution and action agenda to further boost the volume of bilateral trade between two countries by keeping the aspect of livelihood and food security.

Background and Key Findings:

Trade relations between India and Bangladesh are shaped by their social, economic and cultural linkages. However, Non-Tariff Barriers (NTBs) which act as a major deterrent to bilateral trade between these two countries. In case of specific agricultural products, NTBs not only escalate the cost of products but also restrict effective market access for both producers and consumers. These are mainly in forms of inefficient customs procedures, excessive paperwork, cumbersome export-import procedures, absence of testing facilities, lack of harmonised systems, congestion and detention, inadequate road infrastructure, high demurrages and sub-optimal trade related infrastructure.

The present study identifies afore mentioned NTBs (process, procedural & infrastructure, capacity related impediments and SPS-TBT related) with particular emphasis on agricultural trade between India and Bangladesh through seven selected corridors. Furthermore, the study aims to understand the possible impact of agricultural trade on local livelihood and address food security aspects with increased bilateral trade.

Some of the key findings follow:

- **A huge potential in agriculture trade is identified.** Bilateral trade flows between the two countries stood at around USD 6.6 billion in 2016, which is believed to be one-fourth of the existing potential.
- **Upgradation of port infrastructure** at both sides of the borders is an urgent need.
- De-centralization of a centralized agricultural policy, with proper **identification of state-specific comparative advantages in agricultural production is favoured**, in the context of India. A more focused regional policy is expected to enhance productivity in the region.
- A more **integrated supply chain of agricultural products**, both within and across countries, is expected to have positive implications on farmers' livelihood. It would also have serious consequences on addressing food security aspect.
- **Marketing facilities are sub-optimal** in India and there is a dire need to resolve this issue through desired policy changes.