

**Trade and Transport Facilitation  
Monitoring Mechanism in Bhutan:  
Baseline study series #6**

Performance and  
Monitoring of the Selected  
Bhutan's Trade Corridors



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# Performance and Monitoring of the Selected Bhutan's Trade Corridors

The 6<sup>th</sup> report of a series of 6 studies on Trade and Transport Facilitation Monitoring Mechanism (TTFMM) in Bhutan

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## PREFACE

In the process of undertaking the baseline study of Trade and Transport Facilitation Monitoring Mechanism (TTFMM) in Bhutan, six studies are carried out to provide multiple facets of trade and transport facilitation covering export and import of specific products, corridors and border crossings. A synthesis report is also produced based on five study reports.

The current report is focused on performance and monitoring of two corridors *Kolkata – Phuentsholing* and *Burimari - Phuentsholing*. It is a stand-alone document itself and the 6<sup>th</sup> report of a series of 6 studies on TTFMM in Bhutan. It feeds the TTFMM synthesis report. As such, it needs to be read along with other reports to fully understand the background, key findings and conclusions of the TTFMM baseline study.

## ACKNOWLEDGEMENTS

In conducting the studies and preparing this report, great support was received from the host country which was essential for completion of the study. Guidance from Mr. Yonten Namgyel, Director, Department of Revenue and Custom and Member Secretary of National Trade and Transport Facilitation Committee (NTTFC) was vital for completing the study.

The report was prepared by Tengfei Wang. Data were collected by Tshering Choden and Sara Sunwar in cooperation with Achyut Bhandari, ADB national consultant. Deki Gyamtsho also contributed substantially to data collection. Josiah Littlehales, Vyonna Bondi and Elena Kirova substantially contributed to data input and analysis during their internship at UNESCAP.

The report constitutes part of the TTFMM baseline study which was managed by Tengfei Wang from ESCAP and Aileen Pangilinan from ADB under the guidance of Yann Duval and Ronald Antonio Q. Butiong. Tanya E. Marin, Linel Ann Reyes-Tayag, and Alona Mae Agustin from ADB provided support for the logistical arrangement of the workshops.

Participants of the various workshops under the project, as detailed in **Appendix 1**, substantially contributed their expertise to enhance the quality of the project. Sonam Dema played a crucial role for organizing the TTFMM national validation workshop on 3-4 August 2016 in Thimphu, Bhutan<sup>1</sup>.

Fedor Kormilitsyn from ESCAP delivered training on Time-Cost-Distance (TCD) method at the national workshop on TTFMM held in Phuentsholing, Bhutan on 10-14 March 2014. His guidance on application of TCD is gratefully acknowledged. Jeff Procak and Ying Qian from ADB shared toolkits and experience on conducting Corridor Performance Measurement and Monitoring (CPMM) in Central Asia which provides important reference for carrying out similar studies in Bangladesh.

The TTFMM baseline study is funded under both ADB's Technical Assistance Special Fund and the Japan Fund for Poverty Reduction.

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<sup>1</sup> <http://sasec.asia/index.php?page=event&eid=213&url=bgd-ttfmm-validation>

## EXECUTIVE SUMMARY

The current report is focused on performance and monitoring of two corridors *Kolkata – Phuentsholing* and *Burimari - Phuentsholing*. The study analyzes the average speed along the corridor and identifies key bottlenecks. The key methodology for study is the CAREC’s Corridor Performance Measurement and Monitoring (CPMM) method. The time-distance graphs according to the Time-Cost-Distance method developed by ESCAP were also prepared.

The report finds that the average speed along the corridor under study is very low. For example, average speed with delays is 9 kilometers per hour (km/h) and without delays is 15 km/h along Kolkata–Phuentsholing corridor. Similarly, the study reveals that average speed with delays is about 5 km/h and without delays is 16 km/h along Burimari–Phuentsholing corridor. Such speed is much lower than the average speed surveyed in Central Asia, highlighting that both transport infrastructure and vehicles remain a challenge for efficient transport along the corridor.

Such challenges also mean tremendous opportunities for improvement. The report shows that if a vehicle along the SASEC corridor can travel at 30 km/h from Kolkata to Phuentsholing, which is still low compared with the average speed along CAREC corridors, on average potentially 67 hours of journey time, or approximately two thirds of the journey time, can be saved.

In light of the BBIN Motor Vehicle Agreement, this also raises the issue of the importance of continuous and effective monitoring of the corridor. The current study provides baseline data for the corridor. It is useful to observe whether trade and transport performance along the corridor improve over time. Such monitoring will serve as a useful tool to test the effectiveness of BBIN MVA for enhancing trade and transport efficiency in South Asia.

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