



UNNExT workshop on Paperless trade facilitation for Small and Medium-sized Enterprises

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**TRADE FACILITATION
INITIATIVES LAUNCHED
BY
CUSTOMS ADMINISTRATION OF BHUTAN**

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(Commissioner)**

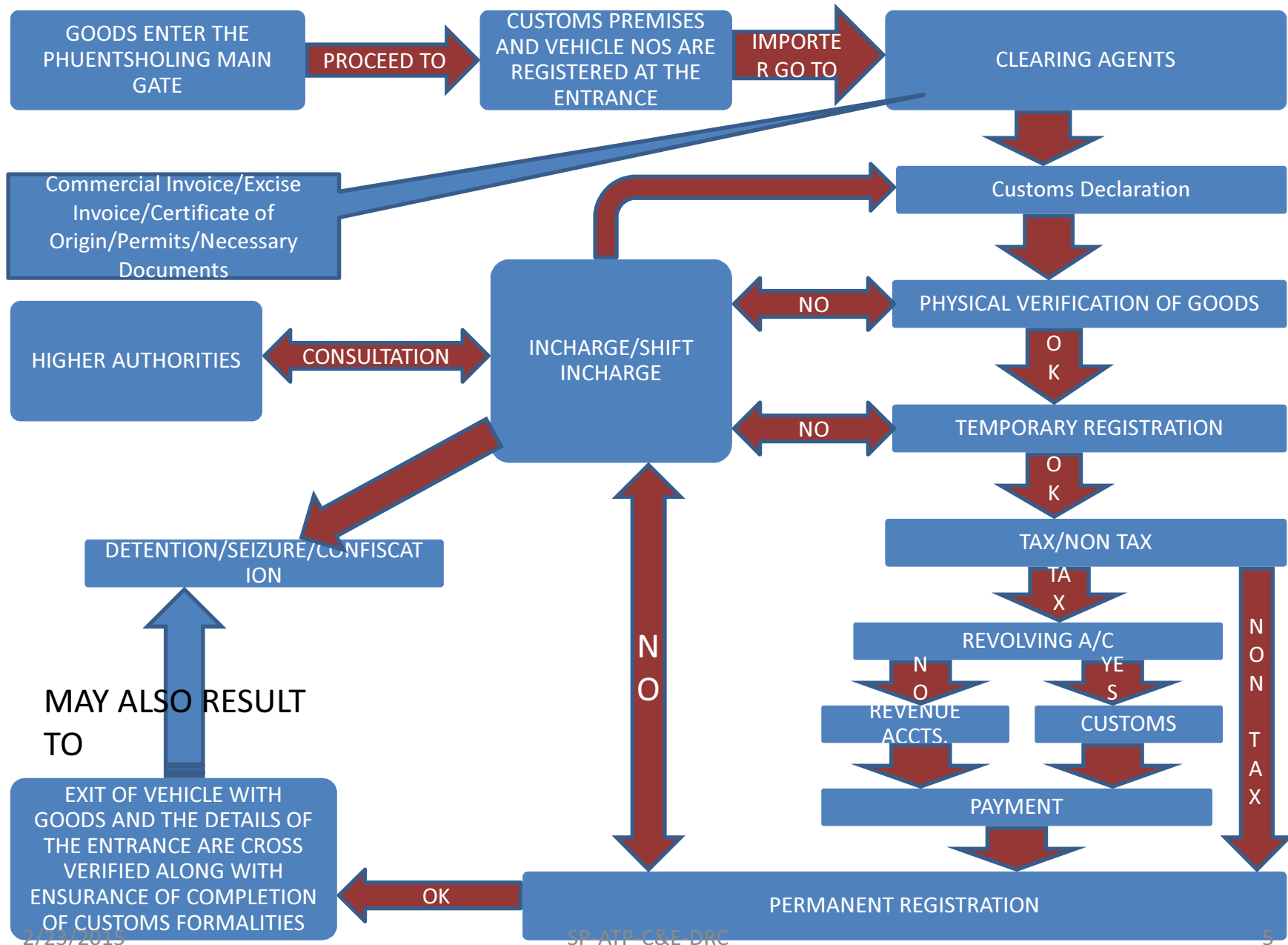
Current Situations

- Bhutan Customs is located in 8 Regional offices and 24 check posts. Customs Liaison and Transit Office in Kolkata and in Paro International Airport.
- Bhutan Customs represents 23 agencies at the point of entry and exit. So Bhutan Customs is the lead agency in Trade Facilitation.
- 99% of Imports and exports from countries other than India is made from Kedarpur and Haldia Port in Kolkata-India.
- 85 % of imports are made from India.
- Phuntsholing is the main land customs station in Bhutan.

CHALLENGES

- **Bhutan is a land locked country.**
- **Customs Act of 2000 is geared towards revenue protection and excessive physical control of goods.**
- **Bhutan Automated Customs System is a stand alone system and not web-based. It does not have risk management components.**
- **There is lack of proper space at the main customs entry and exit points**
- **Lack of Infrastructure and non-intrusive equipments**
- **Ever increasing imports and exports.**
- **Synchronization of efforts of various agencies**
- **Low level of computer literacy amongst SME's.**

Normal/Existing Import Procedures



Introduction & Rationale

- Bhutan is a land locked country and our commitment to simplify and harmonise the customs procedures is important.
- Smooth border facilitation is critical component of international trade and has become a significant driver to economic growth;
- To ease the increasing trade volume and limited infrastructure at entry/exit points;
- To create an enabling environment and promote private sector development;
- Inculcating and encouraging the culture of compliance management and self assessment amongst the Bhutanese traders;
- Building capacity of the importers and raising awareness to the taxpayers.

Supports for Customs Modernization

- ***There is political support from Hon'ble Prime Minister and Finance Minister and the Government.***
- Asian Development Bank is our development partner.
- WCO, ROCB/AP also provides us technical support.
- National Trade Facilitation Committee is established in 2013.
Secretary, Ministry of Finance is the chairperson and members are from various agencies including Bhutan Chamber of Commerce.



INITIATIVES LAUNCHED

entation.

is Administration **has acceded to RKC as the 96th party on 15th September 2014.** The convention is a simplification, harmonization and predictability procedures.

2, **Bhutan Customs Act and Rules and a revised** and will be tabled in Parliament in a more transparent, duplicating and cumbersome clauses are in the Act and the Rules are framed in consultation with stakeholders.

has also allocated budget for **Integrated Check – and Customs Stations in all major land ports.** This will help importers and exporters to complete all formalities in one area.