

ENABLING REGIONAL VALUE CHAINS THROUGH SMART BORDER MANAGEMENT BY CUSTOMS.

(Shri. Pranab Kumar Das, Chairman CBIC)

One less recognized fact about globalization is that it made the countries very competitive. Countries compete, to attract investments, to attract business, to provide an environment conducive for businesses to thrive – all with the intent to sustain growth, reduce poverty, support increasing urbanization and above all create jobs.

Growth in trade is directly related to Trade facilitation and Trade Facilitation measures are most effective if there is cooperation bilaterally or within a region. In a region such as ours, while our economies are growing, the challenges for governance also continue to increase. The functioning of Customs administrations is being constantly redefined. The role of Customs in creating an enabling environment for investment and trade to flourish has gained much significance. Trade also plays a vital role in furthering the relations with our neighboring countries and in fostering regional integration.

Indian customs has, in consonance with the World Customs Organization's theme of the year 2019 -"SMART borders for seamless Trade, Travel and Transport.", taken a number of measures for enabling seamless trade, travel and transport in the sub-region by deploying cutting edge technology and streamlining processes.

[To facilitate the traffic-in-transit passing through India bound for Nepal, our land-linked neighbor, with whom we have had centuries of warm and close ties, we have launched a pilot project by deploying Electronic Cargo Tracking Systems (ECTS). The system uses technologies, such as ICT, GPS and high security seals to allow customs authorities and other entities in the logistics chain to monitor the movement of vehicles continuously during transport from origin to destination and secure the supply chain. Leveraging the enhanced security and monitoring capability that it provides, procedures have been simplified, documentary requirements eased and business processes re-engineered and automated. A complete transparent system was designed with no role for intermediaries or hidden charges. This initiative has reduced the dwell time by 90%.

Elsewhere in the region, the same ECTS technology has also been deployed for the transit of Bangladesh cargo through Indian gateways for export to global destinations, generating synergies between natural resources, industrial potential, and connectivity in the region, through regional cooperation. This has also enabled faster cargo evacuation and logistics efficiency in the region.

In the south Asian region, there are numerous border crossing points, often with inadequate infrastructure and poor connectivity. Resource and staff constraints hinder the development of facilities, including testing and conformance assessment, adversely impacting trade. Off-border clearances help reduce such constraints. Indian Customs

therefore has promoted off-border clearances, backed by robust sealing and tracking technology particularly for its exports to Nepal and Bangladesh. With the regulatory processes conducted at better-equipped inland facilities (such as dry ports), the border points act as mere gateway and exporters can have their goods conveniently cleared at a proximate location with the added facility of shipment visibility and automated processing, all from the comfort of their offices. This has reduced congestion and delays at border points as the need for parking, transshipment, offloading and loading is dispensed and, "Let Export" on wheels has begun.

All these and other measures have served to make our borders smarter enabling India's Global ranking in trading across borders to improve from 146 to 80. Indian Customs will continue to move along this path to make borders smarter and aspire to take India's Global ranking within top 50 countries. This will further help the regional value chains to flourish, bringing about greater prosperity and harmony for India and its neighbours.