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Linking Land Borders: India's Integrated Check Posts

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Working Paper

# Linking Land Borders: India's Integrated Check Posts

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#### **Paper Coverage**

- 1. Examines the role of India's 9 operational Integrated Check Posts (ICPs) in South Asia in facilitating regional connectivity.
- 2. Genesis of the ICPs and the Land Ports Authority of India from the Kargil war in 1999 to inauguration of the first ICP in 2012.
- 3. Deep-dive analysis of 6 inaugurated ICPs at Attari (Punjab), Agartala (Tripura), Petrapole (West Bengal), Raxaul, Jogbani (Bihar) and Moreh (Manipur)
- 4. International comparison: USA- Mexico and Norway-Sweden
- 5. The future of ICPs in SA with a focus on other regional connectivity initiatives such as rail, inland waterways, pipelines
- 6. Policy Recommendations inter-governmental and ground-level.



#### **Rationale**

- There is a need to strengthen border infrastructure for connectivity
- Need to open more points at the border for facilitating movement, such as with Bhutan
- No study exists that exclusively covers ICPs
- New funds are being allocated for constructing ICPs with the neighboring countries – Jan 2021: GoI released INR 90 crores for ICP at Sabroom, Tripura

## **Drivers of change**

- Rising trade between India and its neighbouring countries
- Connectivity needs of smaller South Asian countries
- China's growing investments in infrastructure in South Asia
- India's international obligations: WTO's Trade Facilitation Agreement (TFA) (2016)

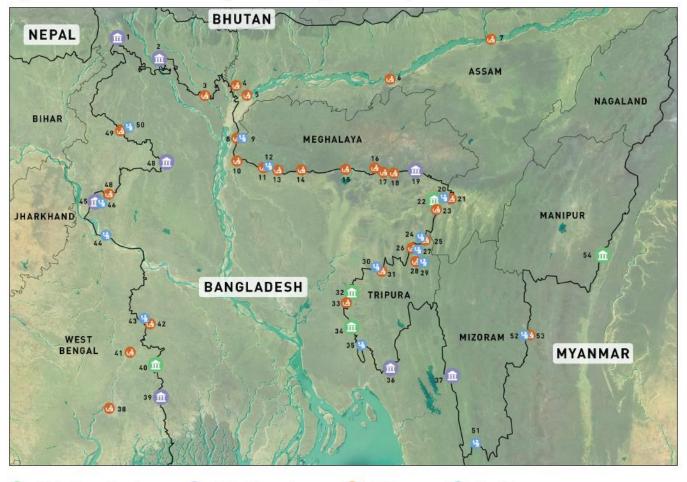


### LCS, ImCP and ICPs

- Land Customs Station: Only goods trade takes place | Under the authority of the Central Board of Indirect Taxes and Customs (CBIC), under the Ministry of Finance.
- Immigration Check Posts: Points for facilitate on of passenger movement across borders | 86 ImCPs all over India, out of which 37 are manned by the Bureau of Immigration (BoI)
- **Integrated Check Posts**: Complexes at border areas that house 7 key agencies responsible for movement of goods and people across the border, including customs, immigration, quarantine, and port health officials.



Figure 4: India's Land Border Checkpoints with Bangladesh and Myanmar





## **Operational ICPs**

• Currently, 9 ICPs are operational on India's land borders. The GoI aims to increase this to 23 by 2025.

ICP location	Indian state	Neighbour	CCEA approved cost (Rs crore)	Actual (A)/ Estimated (E) cost (Rs crore)	Status
Attari/Wagah	Punjab	Pakistan	150	146.85 (A)	Inaugurated
Agartala	Tripura	Bangladesh	60	49.03 (A)	Inaugurated
Petrapole	West Bengal	Bangladesh	172	126.52 (A)	Inaugurated
Raxaul	Bihar	Nepal	120	104.71 (A)	Inaugurated
Moreh	Manipur	Myanmar	136	136 (E)	Inaugurated
Jogbani	Bihar	Nepal	34	58.46 (E)	Inaugurated
Kartarpur (ImCP)	Punjab	Pakistan	100	116 (A)	Inaugurated
Sutarkandi	Assam	Bangladesh	N/A	194.44 (E)	Operationalised
Srimantapur	Tripura	Bangladesh	N/A	N/A	Operationalised

Source: Interview with LPAI officials.

## LCS to be upgraded to ICPs

LCS location	Indian state	Neighbour	Estimated cost (Rs Crore)
Hili	West Bengal	Bangladesh	382.14
Changrabandha	West Bengal	Bangladesh	303.31
Ghojadanga	West Bengal	Bangladesh	240.38
Fulbari	West Bengal	Bangladesh	233.38
Mahadipur	West Bengal	Bangladesh	213.38
Dawki	Meghalaya	Bangladesh	92.34
Kawrpuichchuah	Mizoram	Bangladesh	198.12
Sabroom*	Tripura	Bangladesh	N/A
Jaigaon	West Bengal	Bhutan	271.38
Banbasa	Uttarakhand	Nepal	203.38
Sonauli	Uttar Pradesh	Nepal	446.85
Ruapidiha/ Nepalganj	Uttar Pradesh	Nepal	206.43
Panitanki	West Bengal	Nepal	342.38

Source: Interview with LPAI officials and Ali (2021).

Note. The Estimated Cost includes the cost of land acquisition. \*Added in January 2021.



## **Operational ICPs**

#### India – Pakistan

• ICP Attari (I) – Wagah (P) – 25% (2014-18) of bilateral trade | Inaugurated 2012

#### India – Bangladesh

- ICP Agartala (I) Akhaura (B) 2013 | only 0.3 1.2% of the bilateral trade
- ICP Petrapole (I) Benapole (B) 65% landbased bilateral trade | 750 trucks per day | 2016

#### India - Nepal

- **Raxaul (I) Birgunj (N)** 60% of Nepal's total trade | 45% with India | Inaugurated 2018
- **Jogbani (I) Biratnagar (N)** 14% bilateral trade | Inaugurated 2020

#### India - Myanmar

• **Moreh (I) – Tamu (M)** – 2019 | 1-3% of bilateral trade



## **Benefits and Challenges**

#### **Benefits**

- 1. Trade & passenger figures have increased from the Indian side 75% with Nepal, 33% with Pakistan and a 530% increase in passenger movement from Myanmar
- 2. Reduction in informal/illegal trade
- 3. Re-routing of trade through land
- 4. Improvement in regional connectivity
- 5. Gateways for inter-regional connectivity

#### Challenges

- 1. Lack of a mirror ICP infrastructure in the neighbouring countries
- 2. Common ground-level challenges across the ICPs – limited warehousing, narrow approach road, lack of digitisation, inadequate testing facilities for cargo, paucity of parking space
- 3. Old LCS route is being used for exports at Raxaul
- 4. Congested approach road



## **Key questions**

#### Are ICPs really facilitating trade?

Yes, India' exports to Nepal increased by 75% post initiation of ICP Raxaul in 2016;

the share of ICP Attari in India's total trade with Pakistan increased from 17% in 2011-12 to 33% in 2013-14

#### • What will the role of ICPs in future?

RC initiatives like Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement (BBIN-MVA), development of cross-border railways and inland waterways transport (IWT), may change the role and mandate of the ICPs.





## **Policy Recommendations**

#### At the inter-governmental level

- 1. Development of ICPs in line with regional connectivity initiatives
- 2. Infrastructure upgradation and technological cooperation with the neighbouring countries
- 3. Development of ICDs where ICPs cannot be expanded
- 4. Explore the possibility of managing and operating the ICPs on a Public-Private Partnership (PPP) model

#### At the ground level

- 1. Need for PGA/testing facilities closer to the ICP
- 2. Improving infrastructure of the approach road and bridges
- 3. Timely implementation of the Land Port Management System (LPMS)
- 4. Focus on off-border customs facilitation
- 5. Enable provisional clearance of cargo by Customs
- 6. Creation of facilitation lanes at the ICP



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## Thank you

