

Towards a Common Platform: Tri-Lateral Traders Meet

A report prepared by the team at IIT Guwahati and CUTS International



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Venue: Paro, Bhutan

Organisers:



**WATER AND
DEVELOPMENT**
PARTNERSHIP
PROGRAMME



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Introduction

The TransPath: Water Transformation Pathways Planning project, funded by the Dutch Ministry of Foreign Affairs and supported by the IHE Delft Institute for Water Education, the Netherlands, focuses on harnessing Inland Water Transport (IWT) to foster trade and tourism between India and Bangladesh, with particular emphasis on the Brahmaputra River Basin. This river, spanning 2,740 kilometres across India, Bangladesh, Bhutan, and China, supports nearly 400 million people. Declared as National Waterway-2 (NW-2) in India, it covers an 891-kilometer stretch from Dhubri to Sadiya, playing a pivotal role in agriculture, fisheries, hydropower, and navigation by enhancing regional cooperation and economic development.

It is necessary to address the existing challenges to achieve the goal of transboundary trade cooperation and reap the benefits of trade. The enhanced trade relations have a multifaceted impact on the Brahmaputra River Basin, including the restoration of livelihoods in riverine communities, which is disrupted by annual climate-induced floods that exacerbate poverty and disrupt. The research team at IIT Guwahati, in collaboration with CUTS International, conducted extensive fieldwork in 2023 and 2024 at study sites in Dhubri (India) and Chilmari (Bangladesh) to explore these issues in detail.

Dhubri's strategic location along the Indo-Bangladesh Protocol (IBP) route makes it a hub for inland waterways trade. Local communities, including fishermen, small boat traders, and women, heavily depend on these waterways for their livelihoods. Despite the prevalence of domestic trade using small country boats, cross-border trade opportunities remain limited due to various policy bottlenecks. For instance, the absence of platforms for boat operators from both countries to discuss trade opportunities further hinders progress. We have found a few long-hanging fruits to make interventions to realise the trade potential in Dhubri- a) engage small boat operators in international trade to enable their participation in cross-border commerce, b) establish an inclusive platform for informal trader meetings to explore bilateral trade opportunities. In Chilmari, the team identified significant potential to diversify tradable commodities, including agricultural

products and spices, to boost trade volumes. However, the lack of a dedicated forum for traders remains a critical barrier. Therefore, strategies to diversify the range of commodities traded through inland waterways and create collaborative platforms to enhance bilateral trade discussions will help to overcome the barriers.

On the other hand, the cross-border trade from Bhutan plays a strategic role in enhancing the inland waterways, particularly the Indo-Bangladesh Protocol Route-1 (Dhubri-Chilmari stretch). The trade policies of Bhutan is influential in envisioning improved trade activities through inland waterways and ensuring regional co-operation. For example, the traders from Bhutan rely on the protocol route to trade with Bangladesh.

In this context, Indian Institute of Technology Guwahati (IITG) and Consumer Unity and Trust Society (CUTS) organised the traders' meet on September 15, 2025 at Paro, Bhutan, as a multi-stakeholder forum bringing together participants from India, Bangladesh, and Bhutan to discuss the challenges and opportunities in inland waterway trade, with a special focus on the Dhubri–Chilmari route. The objective was to provide a neutral space where traders, small boat operators, government officials, academics, NGOs, and industry experts could openly share experiences, highlight operational difficulties, and propose practical recommendations. The meeting underscored the importance of inland waterways as a sustainable and cost-effective trade route, while also acknowledging the structural and institutional issues that hinder their full potential.





Figure 1 Participants from the three countries discussing the present issues and opportunities for improving trade through inland waterways

Meeting Objectives

The traders meet had the following objectives:

- Facilitate dialogue between traders across three countries along the Brahmaputra Basin, to collaboratively identify opportunities and strategies for maximizing the socio-economic and environmental benefits of IWT.
- Identify policy bottlenecks by integrating field-based insights from IIT Guwahati's research and challenges faced by the traders.

List of Participants

SL No.	Name	Designation and Organisation	Nationality
1	Mr. Avinash Singh	Programme Quality, Learning & Partnership Specialist, TROSA PMU, Oxfam International Asia	Indian
2	Mr. Subhakar Dandapat	Former Chief Engineer, IWT; Consultant to World Bank Group (IWT Project, West Bengal), India	Indian
3	Mr. Atowar Rahman	Director, Indo–Bangla cross-border commerce (export & import), India	Indian
4	Mr. Yunus Khan	Small Boat Operator, Dhubri, India	Indian
5	Mr. Abdul Aleem Ahmed	Small Boat Operator, Dhubri, India	Indian
6	Mr. Ramashankar Gupta	President, Jaigaon Merchants Association, West Bengal, India	Indian

7	Ms. Anamika Barua	Professor, Indian Institute of Technology Guwahati, India	Indian
8	Mrs. Veena Vidyadharan	Feminist Influencing Lead, Oxfam International Asia	Indian
9	Mr. Sumanta Biswas	Assistant Director, CUTS International, Jaipur, India	Indian
10	Ms. Gitima Das	Doctoral Fellow, Indian Institute of Technology Guwahati, India	Indian
11	Mr. Ajay Rai	Boulder & Aggregate Trader, Himalayan Traders, Bhutan	Bhutanese
12	Mr. Namgay Wangchuk	General Manager, Mineral Resource Division, National Resources Development Corporation Limited, Bhutan	Bhutanese
13	Mr. Tapan Kr Saha	Team Leader – Emergency & Humanitarian Response, RDRS Bangladesh	Bangladeshi
14	Mr. Md. Amdadul Hoque Molla	Proprietor, M/s Sumona Corporation, Dhaka, Bangladesh	Bangladeshi
15	Mr. Syed Monowar Hossain	IWT Expert, Dhaka, Bangladesh	Bangladeshi
16	Mr. Md Chan Mia	Proprietor, M/s Insaf Multimedia, Rowmari, Bangladesh	Bangladeshi



Discussions

The discussions began with self-introductions by participants from diverse backgrounds, including exporters of boulders and aggregates from Bhutan, Assam (India) and Bangladesh, small boat operators from Dhubri (India), Bangladeshi traders and humanitarian organisations, CUTS and representatives from academic and development institutions such as IIT Guwahati and Oxfam. Several experts with prior experience in government agencies, including former officials of the Bangladesh Inland Water Transport Authority and the Inland Waterways Authority of India, also contributed their insights.

Participants shared their field-level experiences, ranging from daily operational difficulties to broader policy concerns. The conversation covered themes such as customs clearance delays, inadequate port infrastructure, limited tradable commodities, informal trade channels, mistrust between traders, and syndicate-driven practices. Discussions also touched on Bhutan's challenges in exporting stone boulders, the regulatory difficulties faced by small boat operators, and the need for stronger trilateral cooperation.

Present Situation

At present, trade between India and Bangladesh through inland waterways is limited mainly to a few commodities such as fly ash, boulders, and stone chips. The international port at Dhubri has faced challenges in becoming fully operational due to high tariffs under the Public-Private Partnership (PPP) model and delays in infrastructure development. Although cranes and handling equipment have recently been installed, traders continue to face customs delays and bureaucratic hurdles. Meanwhile, domestic trade at Dhubri port remains vibrant, though much of it takes place through informal or unregulated channels.

Bhutanese exporters have faced difficulties when routing goods *via* Meghalaya due to informal tolls and restrictions, prompting calls for increased use of waterways. Small boat operators play a vital role in local-level trade, but most lack proper licensing due to regulatory barriers and outdated machinery requirements. There is also a trust deficit among traders, with repeated concerns raised about dishonored Letters of Credit (LOC), lack of enforcement mechanisms, and syndicate practices that discourage new entrants.

Key Issues Identified

The discussions revealed a wide spectrum of interrelated issues faced by traders, operators, and policymakers in cross-border inland waterway trade.

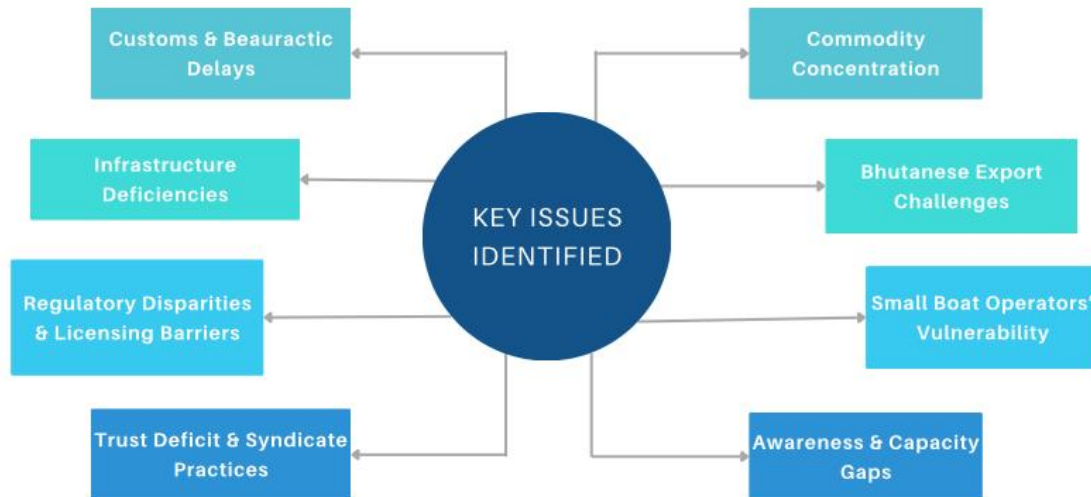


Figure 3 A chart visually representing the key issues identified by the participants during the meeting

These challenges span operational bottlenecks, governance gaps, and systemic weaknesses. The following sub-themes were identified in detail:

- 1. Customs and Bureaucratic Delays:** Participants repeatedly highlighted the unpredictability and time-consuming nature of customs procedures at both Indian and Bangladeshi ports. Inconsistencies in documentation requirements, lack of harmonisation between the two countries, and delays in inspections often lead to financial losses for traders. Bangladeshi importers noted prolonged waiting periods for clearance, while Indian traders expressed concerns about higher tariffs under the PPP model at Dhubri port.
- 2. Infrastructure Deficiencies:** A critical bottleneck is the limited capacity and inadequacy of existing port infrastructure. While the installation of cranes at Dhubri was acknowledged as progress, issues remain around a lack of storage, insufficient terminals, restricted vessel capacity, and the absence of designated unloading points at Balashi and Sariakandi in Bangladesh. These gaps increase costs and discourage regular trade flows.

3. **Regulatory Disparities and Licensing Barriers:** India and Bangladesh apply differing rules for small vessel licensing. In India, all boats, regardless of horsepower, must be registered, whereas in Bangladesh, vessels below 16 horsepower are exempt. This inconsistency creates a grey area, with many small operators informally active but unable to legally participate in cross-border trade. Licensing transfer, such as from father to son, was also described as a lengthy and frustrating process.
4. **Trust Deficit and Syndicate Practices:** A recurring theme was the erosion of trust among traders. Participants cited instances of cancelled Letters of Credit, abandoned cargo, and informal syndicate networks controlling access to ports and routes. These practices discourage transparency and deter new entrants, perpetuating mistrust between Indian, Bangladeshi, and Bhutanese stakeholders.
5. **Commodity Concentration:** Trade through inland waterways remains narrowly focused on a handful of bulk items, such as fly ash and boulders. This lack of diversification limits the economic potential of waterways. Participants emphasised the need to expand to agricultural produce, perishable goods, and consumer commodities, which could generate more inclusive benefits for border communities.
6. **Bhutanese Export Challenges:** Bhutanese participants detailed difficulties in exporting boulders and aggregates due to high informal charges and restrictions in Meghalaya, where illegal tolls of INR 10,000–12,000 (110-130 USD) per truck were reported. This has made road transport unviable, while waterway alternatives are not yet fully functional. Bhutan thus faces serious constraints in reaching Bangladeshi markets competitively.
7. **Small Boat Operators' Vulnerability:** Small boat operators play an indispensable role in connecting remote areas and facilitating local trade. Yet they remain outside the formal framework due to a lack of licensing, outdated machinery rules, and an inability to meet technical standards imposed by authorities. Many operate informally at significant risk, with no access to subsidies, insurance, or legal protections.
8. **Awareness and Capacity Gaps:** Several participants underlined that traders and operators often lack a clear understanding of customs protocols, documentation, and trade regulations. This knowledge gap leaves them vulnerable to exploitation,

arbitrary charges, and costly delays. Capacity-building measures and simplified communication of rules were strongly recommended.

Taken together, these issues illustrate that while inland waterways hold significant promise for regional connectivity, they are hampered by a combination of infrastructural, regulatory, and institutional shortcomings that require coordinated action.

Recommendations Made by Participants

1. **Customs Reform:** Simplify and streamline clearance procedures. Conduct awareness programs to educate traders and operators on regulations.
2. **Inclusion of new ports as extended Ports of Call:** Rowmari as an extended PoC for Chilmari. Hatsinghimari as extended PoC for Dhubri. Balashi and Sariakandi as an extended PoC for Bahadurabad.
3. **Infrastructure Development:** Expand and modernize port facilities, designate additional ports of call (e.g., Balashi, Sariakandi, Rowmari), and strengthen multimodal connectivity.
4. **Revisions in IBP agreement:** The Definition of vessel should be revised in the IBP agreement. Standards of vessels operating in distinct stretches should be mutually agreed by both parties. These stretches include Jogigopha to Chilmari, Karimganj-Ashuganj, Maiya- Sultanganj. This will allow existing non-conventional vessels to take part in cross-border trade.
5. **Formalization of Small Boats:** Provide licenses to small boat operators, subsidise modernisation of vessels, and allow flexible procurement of machinery beyond government vendors.
6. **Diversification of Trade Commodities:** Expand beyond boulders and fly ash to include agricultural products, fruits, and daily-use commodities, enhancing demand and trust across borders.
7. **Bhutan-Specific Interventions:** Promote waterway routes as alternatives to Meghalaya road corridors, reduce informal tolls, and enable Bhutanese traders to access Bangladeshi markets with predictable costs.
8. **Sustained Dialogue:** Create a permanent forum or association of traders across India, Bangladesh, and Bhutan to continue discussions and push policy

recommendations beyond the life of the current project. It should be constituted by the government with nominations from the Chambers of commerce and will have rotational presidencies.

For example, the Jal-Vahak scheme in India offers reimbursement up to 35% of total operating expenditure incurred while transporting cargo *via* waterways on NW 1 (Ganga River), NW 2 (Brahmaputra River) & NW 16 (Barak River) *via* Indo Indo-Bangladesh Protocol route for a distance of more than 300 kms. The scheme will benefit short-haul traders if the minimum distance is kept 150 kms. Similar schemes can be implemented in Bangladesh as well.

Conclusion

The traders' meet concluded with a strong sense of both urgency and opportunity. Across all discussions, participants underscored the critical role that inland waterways can play in transforming regional trade, reducing costs, and fostering environmentally sustainable connectivity between India, Bangladesh, and Bhutan. Yet, the conversations also made it abundantly clear that the promise of this sector is currently held back by persistent operational and governance challenges.

There was a recognition that issues such as customs delays, infrastructure gaps, regulatory disparities, and syndicate dominance are not isolated problems; they are systemically interconnected. For example, inadequate port infrastructure magnifies customs delays, while weak regulation provides fertile ground for syndicates to thrive. Addressing one area without reforming the others will not yield sustainable results. Instead, what is required is a coordinated, multi-pronged strategy that brings together governments, traders, operators, and development partners on a common platform.

Another important point raised was the need to expand the focus of waterway trade beyond bulk commodities like boulders and fly ash. Diversification into agricultural produce, perishable goods, and consumer products could significantly broaden the economic benefits, ensuring that small-scale traders, farming communities, and local economies also gain from regional connectivity. In this sense, waterways have the potential not only to serve large exporters but also to directly benefit border communities and vulnerable groups.

Participants also highlighted the importance of capacity-building and awareness efforts. Many small boat operators and traders lack adequate understanding of customs procedures, protocol rules, and compliance requirements. Without targeted interventions to build this capacity, reforms risk being undermined by poor implementation at the ground level. Equally, supporting small boat operators with licenses, subsidies, and access to modern machinery will be vital to make inland waterways more inclusive.

Trust emerged as both a barrier and a solution. Past experiences of dishonored Letters of Credit, arbitrary charges, and lack of dispute resolution have bred mistrust between traders. Building institutional mechanisms for transparency, fairness, and accountability will be essential for restoring confidence. Establishing joint monitoring committees and formal trader associations across the three countries was strongly recommended.

Finally, the meeting underscored the need for continuity beyond project-based support. While this forum was enabled by ongoing projects, what is essential now is sustained dialogue—even in informal settings—so that traders have a regular platform to meet and exchange. Living labs, as safe spaces for such engagement, should therefore continue, backed by institutional ownership from chambers of commerce, government agencies, or regional bodies. Only through this continuity can the momentum generated here translate into long-term policy reforms and infrastructural investments.

In sum, the traders' meet was a crucial step in diagnosing the current state of cross-border waterway trade and charting a path forward. It clarified existing challenges, built consensus on possible solutions, and reaffirmed the shared will of stakeholders to pursue a more efficient, inclusive, and sustainable inland waterway system. The challenge ahead is to carry this conversation forward and translate these recommendations into coordinated action.

Above all, the traders' meet reaffirmed the importance of *sustained dialogue*. Honest, open exchanges not only revealed opportunities but also exposed the structural barriers to inland waterway trade. Keeping this dialogue alive—well beyond the project's timeframe—is vital to ensuring that the concerns of traders and small operators remain central to future policy and infrastructure decisions.

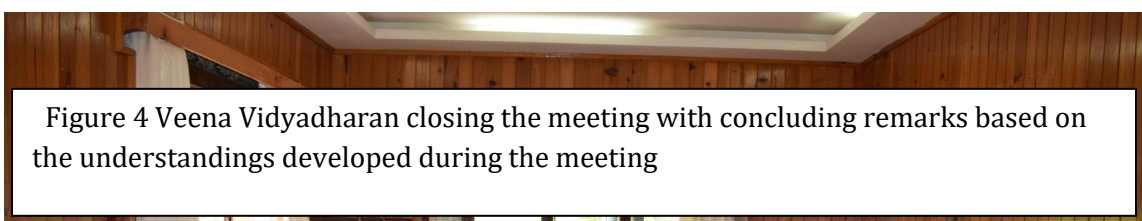


Figure 4 Veena Vidyadharan closing the meeting with concluding remarks based on the understandings developed during the meeting

Summary Table

Key Issues	Recommendations
Customs and Bureaucratic Delays	Simplify clearance procedures, harmonize India-Bangladesh documentation, reduce waiting times, and conduct awareness programs for traders.
Infrastructure Deficiencies	Upgrade port facilities, add more ports of call (Balashi, Sariakandi, Rowmari), provide storage and unloading infrastructure, and improve multimodal connectivity.
Regulatory Disparities and Licensing Barriers	Standardize vessel licensing rules across India and Bangladesh, enable easier transfer of licenses, and expand eligibility for small operators.
Trust Deficit and Syndicate Practices	Establish transparent monitoring committees with government, chambers of commerce, and customs; discourage syndicate dominance; enforce dispute resolution mechanisms.
Commodity Concentration	Diversify trade to include agricultural produce, perishables, and consumer goods alongside bulk commodities.
Bhutanese Export Challenges	Develop functional waterway routes as alternatives to road transport via Meghalaya; reduce informal tolls; ensure predictable trade costs for Bhutanese exporters.
Small Boat Operators' Vulnerability	Provide licenses, subsidies, and access to modern machinery; integrate operators into the formal system; extend insurance and legal protections.
Awareness and Capacity Gaps	Organize training and capacity-building sessions to improve understanding of customs, protocols, and documentation requirements.

Table 2 A table listing the key issues identified and the respective recommendations discussed and agreed upon by all participants during the meeting