

ASEAN – India Centre (AIC) at RIS

ASEAN-India Transit Transport Agreement (AITTA): An Indicative Outline

1. Seamless transportation between India and ASEAN is essential for achieving higher volumes of trade and investment. Simple, harmonized and standardized trade and customs processes and procedures and related information flows will reduce transaction costs and time between ASEAN and India, thereby facilitating regional economic integration.
2. The proposed ASEAN-India Transit Transport Agreement (AITTA) will serve as the “software” for the ASEAN-India connectivity, where a gamut of “hardware” is being developed through the India-Myanmar-Thailand Trilateral Highway (IMTTH) and its possible extensions to Lao PDR, Cambodia and Viet Nam
3. AITTA template could first be agreed between India, Myanmar and Thailand, and then a back-to-back agreement with the rest of the ASEAN Member States could be pursued.
4. AITTA should be signed and implemented before the completion of the IMTTH.
5. AITTA will allow vehicles and passengers to move seamlessly along the designated transport corridors between ASEAN and India. AITTA will specify a series of procedures to facilitate movement of cargo and passengers along the corridors. These include operating procedures (OP) for vehicles, customs procedures and other facilitation measures. The AITTA shall provide the transit and transportation rights and obligations through appropriate Annexes and Protocols.
6. Since ASEAN Member States and India are members of WTO, the negotiation of the AITTA may follow GATT Article V, which allows “Freedom of Transit”. AITTA negotiations may also draw upon the Trade Facilitation Agreement (TFA) of the WTO, which was signed at the WTO’s Bali Ministerial Meeting in December 2013.
7. AITTA could provide an approach to streamlining regulations and reducing non-physical barriers. In particular, the AITTA should include agreement on the cross-border transport of persons, vehicles and goods to facilitate international transit along the corridors, providing the basis for exchange of traffic rights between and among the participating countries and facilitation of frontier crossing formalities. It will specify routes and border crossing points, charges levied on inter-state and transit traffic, customs procedures, third party motor liability insurance, responsibilities of road transport operators, availability of infrastructure and other facilitation measures.

8. In particular, AITTA would aim at facilitating the following:

- (i) single-stop and single-window customs operation at border crossings;
- (ii) cross-border movement of passengers (i.e., visas for persons engaged in transport operations);
- (iii) transport arrangements such as registration of vehicles in international traffic transit regimes, criteria for validating driving licenses, exemptions from physical customs inspection, bond deposit, escort, and agriculture and veterinary inspection requirements that road vehicles will have to meet to be eligible for cross-border traffic;
- (iv) exchange of commercial traffic rights and infrastructure, including road and bridge design standards, road signs, and signals;
- (v) safety regulations such as carriage of dangerous goods,
- (vi) facilitation of frontier crossing formalities,
- (vii) multimodal carrier liability regime and criteria for licensing of multimodal transport operators for cross-border transport operations,
- (viii) Container Customs regime and application of modern technology such as RFID, GPS/GPRS in tracking container and vehicle.

9. We should have Protocols alongside on (i) designation of corridors, routes, and points of entry and exit (border crossings), (ii) charges concerning transit traffic, (iii) standard operating procedures for vehicles and drivers, (iv) frequency and capacity of services and issuance of quotas and permits, (v) customs documentation and control for third country goods and vehicles.

10. In parallel, ASEAN and India (and also other dialogue partners) have to develop and implement comprehensive trade facilitation measures, which aim at simplifying, harmonizing and standardizing trade and Customs processes, procedures and related information flows. To start with, we shall aim to (i) establish a regional trade facilitation cooperation mechanism between ASEAN and India, and then with other dialogue partners; (ii) establish ASEAN-India and/or EAS Trade Facilitation Repository; and (iii) develop a comprehensive capacity building programmes to ensure smooth implementation of the work programme.

11. As part of the establishment of ASEAN Economic Community (AEC), ASEAN countries have an ASEAN Customs Vision 2020. Therefore, ASEAN and India will need to: (i) link their respective customs structures; (ii) modernize tariff classification, customs valuation and origin determination and establish ASEAN-India e-Customs; (iii) expedite customs clearance; (iv) strengthen human resources development; (v) promote partnership with relevant international organizations; (vi) narrow the development gaps in customs; (vii) adopt risk management techniques and audit-based control (PCA) for trade facilitation; (viii) develop and implement sectoral Mutual Recognition Agreements (MRAs) on Conformity Assessment for specific sectors identified in the ASEAN Framework Agreement on Mutual Recognition Arrangements; and (ix) enhance technical infrastructure and competency in laboratory testing, calibration, inspection, certification and accreditation based on

regionally/internationally accepted procedures and guidelines. Most of these activities have been already undertaken nationally. It is the time that we implement a comprehensive regional customs integration work plan between ASEAN and India under the AITTA.

12. Till date, ASEAN is yet to engage with its dialogue partners on transit and transport arrangements. Except GMS CBTA, there is no regional or subregional transit and transport arrangement in Southeast Asia. Even CBTA does not work in full in GMS due mainly to political differences between the Member States and Thailand is yet to ratify some protocols. AITTA would be the first comprehensive cross-border transport arrangement between ASEAN and a dialogue partner.

13. A Framework Agreement on AITTA between India and ASEAN may be signed at the 13th ASEAN-India Summit, 2015. India may consider setting up a Joint Working Group (JWG) on Soft Infrastructure for negotiation, implementation and regulation of AITTA.

14. To discuss various aspects of the proposed AITTA, the Ministry of External Affairs and Ministry of Commerce & Industry, together with the ASEAN-India Centre (AIC) are hosting a brainstorming session with participation of Government of India officials and State Government representatives on 16 April 2014 at New Delhi at the **Conference Hall No. 1 (Room No. 0197), C-Wing, Jawaharlal Nehru Bhawan, Ministry of External Affairs (MEA), Janpath, New Delhi**. You are cordially invited to participate and share the views of your respective Ministry/State on the proposed ASEAN India Transit Transport Agreement.

15. For further information of the event, please contact Dr Prabir De, Professor and Coordinator of ASEAN-India Centre (AIC) at RIS, e-mail: prabirde@ris.org.in; tel. 2468 2177 / 2464 8540 (D).
