

Pattern of cross-border commodity transactions through Kalaichar border Haat

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Abstract

Background/Objectives: Kalaichar border Haat is once-a-week (Wednesday) makeshift bazaar/market and has been set up on the zero line border pillars of 1072 of international border between Indo-Bangladesh in the South-West Garo Hills, Meghalaya, India. The study attempts to project a current trend of commodities in terms of volume and value (export and import) in the Kalaichar border Haat.

Methods/Statistical Analysis: Two years' data on volume and value of commodities traded at Kalaichar border Haat for the years 2016 and 2017 were availed from Land Customs Office, Mahendraganj. Analysis was made applying monthly percentage growth rate method for two years. Border Haat at Kalaichar was inaugurated and started functioning since July 23, 2011. However, limited operations with no systematic record of commodity transactions by the Customs Office up to the year 2015 restricted the data analyses only for two years' for 2016 and 2017. Analyses of data for two consecutive years' on monthly transaction volume along with types of commodities being traded in the two years of 2016 and 2017 were done. The information collected for the study comprised both primary and secondary data. The primary component of the data was obtained from vendor and vendees as a participant observant during the Haat days. Secondary information has been collected from the office of the Deputy Commissioner, South West Garo Hills, Meghalaya and Customs Office (LCS), Mahendraganj. Percentage growth rate method was used to analyse the degree of change in volume of commodities.

Findings: From the present study we find that the quantity of the commodities being transacted in the border Haat is directly proportional to the quantity of supply of such commodities in the hands of the vendor of either side of India and Bangladesh. The volume of export or import is directly determined by the quantity of supply of commodities. More the quantity of commodities being supplied, the volume of export or import of commodities stands positive and vice-versa. The major items being imported from Bangladesh to India through Kalaichar border Haat are melamine and plastic products and clothes. The major items exported from India are the seasonal agricultural produce.

Applications: Most of the studies concentrated on the functioning of LCSs. However, our study focuses upon the nature and types of commodities being traded in an international Haat. Here, the transactions undertaken through import-export of commodities in Kalaichar border Haat were reflected upon. The major items being imported from Bangladesh to India through Kalaichar border Haat are melamine and plastic products and garments. On the other hand, the major items exported from India are the seasonal agricultural produce. It is worth noting that as per the MoU signed between the two countries, only locally produced agriculture commodities are supposed to be traded. But, among the traded commodities, cumin seeds account for the highest volume in the export list from Indian side, which is however not a locally produced item but still being traded in large volume. This phenomenon remains an interesting point for deliberation.

Keywords: Kalaichar border Haat, South-West Garo Hills, Meghalaya, Commodity transaction.

1. Introduction

Cross-border trade is a global phenomenon and it is conceptually narrower than international trade. The former, takes place between the neighboring countries only, sharing common international boundaries. Apart from the economic factors like price disparity and scarcity of commodities and complementarities of various natures, the distance or the geographical proximity of finished goods and factors of production mainly account for the present practice of cross border trade [1].

Border Haats forms an important point in the facilitation of border trade. These border Haats are once-a-week makeshift bazaars/markets and are set up at certain specified points on zero lines of international border. The Kalaichar border Haat between India-Bangladesh allow people residing near the border areas of both the countries to trade with each other without having to pay any customs duties. Border trade is different from trade through air, land or sea ports as trade through ports involves clearance through customs and has large volume. Border trade in contrast is "over-land trade" by way of "exchange of commodities" from a bi-laterally agreed list by people living along both sides of the international border. Four border Haats are currently in operation between India and Bangladesh. Kalaichar and Balat at the Meghalaya-Bangladesh border and Kamlasagar and Srinagar at the Tripura-Bangladesh border. They are established as per a Memorandum of Understanding (MoU) signed between India and Bangladesh on October 23, 2010 [2, 3]. Traders are issued legal permits to trade in border Haats, however, even though trade is recorded it does not enter the national trade statistics. In the year 2016 both Governments have agreed to establish two more border Haats in Tripura and four more border Haats in Meghalaya on the India-Bangladesh border.

Border trade lessens the insecurity and hardships of life in border areas particularly if it is far away from national market places. Besides economic implications, unlike sea or air borne trade, border trade unifies the interest of the people across the border and it tends to strengthen the links among the people living in the bordering areas which in turn help in a greater way to make better border management possible [4]. A number of empirical studies have been undertaken related to the Indo-Bangla border trades. Kumar, in his study highlighted that the partition of India has created abnormal border trade and the age-old ties with Bangladesh are scrapped. He also pointed out that the border trade has been dwindled after independence of India [5]. Das, in two different studies observed that the North-Eastern Region which shares about 1500 kms border with Bangladesh has age-old socio-economic ties with it from time immemorial. Although the partition has disrupted the structure of age-old flow of goods and services between these two countries, even then the communication channels are not absolutely abandoned [6]. Mandal, observed in his study that with the initiation of liberalization policy, border trade is now viewed as one of the important instrument for the development of the bordering regions. Further, he also investigated the challenges for the development of North-East border trade and its opportunities in the event of emergence of a strong regional cooperation among Bangladesh, China, Myanmar and Bhutan [7]. Edmonds and Fujimura, in their study found that the quality of road infrastructure in the border area has a positive and statistically significant relationship with trade flows [8], while Rout, highlighted the Meghalaya's coal export through different LCSs to Bangladesh [9].

Deb Kar in her study on the Indo-Bangladesh trade across the border of Garo Hills found that the trade is characterized by the export of raw materials from Garo Hills to Bangladesh. Her study also revealed that income earned from the coal exports by the local people was hardly invested in order to develop alternative source of income [10]. Rather & Gupta, investigated the problems and prospects of India-Bangladesh bilateral trade. They argued that although the bilateral trade is also not hassle free, the issues involved are far easier to resolve than many others. It was also suggested in the study that closer economic ties could assist in settling other bilateral issues [11]. Sikidar, Borthakur & Borpujari identified that connectivity had emerged as a significant issue for enhancing cross border trade. Their study also highlighted the problems and prospects of connectivity in improving the trade relation with its neighboring countries. Barman & Bhattacharjee examined the nature of goods being traded in the Indo-Bangladesh border. Their study reflected upon the problems faced by the local vendors while exporting the locally produced commodities to Bangladesh [12].

From various researches works it could be observed that the studies mostly highlighted the formal and informal border trade, tariff and non-tariff barriers and the potential market for various raw materials that are available in North-East India for trading with Bangladesh. However, commodity export-import through border Haats in India with Bangladesh has been left almost untouched. The present study was an attempt therefore to reflect upon the export and import in terms of volume and value of commodities traded through the Kalaichar border Haat in the South-West Garo Hills of Meghalaya, India. Kalaichar is located in the South West Garo Hills District of Meghalaya at the latitude of 25°27.505 and longitude of 089°56.456. The hill region is mostly inhabited by the Garos while in the foothills there are other communities, viz., Hajongs, Kochs and Bengalis.

The district is surrounded by Dhubri district of Assam and Kurigram District of Bangladesh. Physically, the area of the South West Hills Districts extends upto 11 kilometres short of Tura on the East; Mahendraganj and Gopinath Kila on the West; Mankachar on the North and Bolmangri and Kalaichar on the South. South West Garo Hills has approximately 35 km of international boundary with Bangladesh on the south and western side. Nearly one third of the total number of villages of the district is declared as border villages by the Border Area Development Department of Meghalaya. The present study focuses on the following objective.

2. Objective of the study

To project a trend of recent years on commodity trade in terms of their volume and value (export and import) through Kalaichar border Haat.

3. Materials and Methods

Two years' data on commodities traded at Kalaichar border Haat for the years 2016 and 2017 were availed from Land Customs Office, Mahendraganj. Border Haat at Kalaichar was inaugurated and started functioning since July 23, 2011. However, limited operations with no systematic record of commodity transactions by the Customs Office up to the year 2015 restricted the data analyses for only two years' for 2016 and 2017. The primary component of the data was obtained from vendor and vendees as a participant observant during the Haat days. Secondary information has been collected from the office of the Deputy Commissioner, South West Garo Hills, Meghalaya and Customs Office (LCS), Mahendraganj.

4. Statistical analysis

Percentage share and growth rate pattern (for two years on monthly basis) was measured to study the increase or decrease in the growth of commodity transactions.

Percentage growth trend was calculated using the formula below:

$$\text{Percentage Growth (PR)} = \frac{\text{current year} - \text{base year}}{\text{base year}} \times 100$$

5. Result and Discussion

Commodity trade transaction analyses were made on monthly bases for the two years to observe the fluctuations in trade in terms of volume and value for the given period during 2016 and 2017. Among the major export items listed in Table 1, it may be noted that items, viz., cumin, betel nut and ginger are exported almost throughout the months, whereas variation in volume in exports of other items like black pepper, tamarind, lemon, wooden apple, lichi, amla etc are on account of their seasonal characteristics as the produce of such commodities are restricted to particular seasons only. In the months of September, October, November and December of 2016 (Table 1), it may be observed that there are similar items being exported viz., Cumin seeds, betel nuts, ginger, rice bags, spade and axe. However, on account of variation in the supply of such commodities as received by vendors, there is variation in the quantity exported amongst these items. As a result there is negative growth in the months of (April, July, October, November and December of 2016) and positive growth of these items over the months of (Feb, March, May, June, August, and September of 2016). This is on account of variation in the supply of these items in the border Haat. Hence there is positive as well as negative trend in growth of volume and value derived of such items as reflected in the Table 1. The amount of exports is dependent on the quantity of goods procured by the vendors from various sources (suppliers, own produce, weekly market etc) of Garo Hills except for Cumin seeds which are basically procured from the state of Assam.

Table 1. Trend of exports from India to Bangladesh Via Kalaichar Border Haat (2016)

Month	Major Items of Exports	Total Quantity (kgs)	Total Amt. ₹	Export	
				Qty (Monthly % growth rate)	Amt. ₹ (Monthly % growth rate)
Jan	Cumin seeds, black pepper, betel nut and ginger	37650	3367340	0	0
Feb	Cumin seeds, black pepper, betel nut and ginger	44644	3933520	18.58	16.81
Mar	Cumin seeds, black pepper, betel nut, tamarind and ginger	64563	8407715	44.62	113.75
April	Cumin seeds, black pepper, betel nut, tamarind and ginger	39578	4897640	-38.70	-41.75
May	Cumin seeds, black pepper, betel nut, tamarind and ginger	69930	7124900	76.69	45.48
June	Cumin seeds, betel nuts, lichi, amla, lemon, wooden apple, ginger, tamarind, drum stick, rice bags, spade and axe	76564	9123055	9.49	28.04
July	Cumin seeds, betel nuts, lichi, amla, lemon, wooden apple, ginger, tamarind, drum stick, rice bags, spade and axe	19222	2037240	-74.89	-77.67
Aug	Cumin seeds, betel nuts, amla, lemon, ginger, rice bags, spade and axe	38980	3794620	102.79	86.26
Sept	Cumin seeds, betel nuts, ginger, rice bags, spade and axe	55643	6596700	42.75	73.84
Oct	Cumin seeds, betel nuts, ginger rice bags, spade and axe	20657	2052185	-62.88	-68.89
Nov	Cumin seeds, betel nuts, ginger rice bags, spade and axe	18456	1558770	-10.65	-24.04
Dec	Cumin seeds, betel nuts, ginger rice bags, spade and axe	36980	363100	100.37	-76.71

Source: Office of the LCS, Mahendraganj

The more the quantity of commodities procured by the vendors, more is the volume of export of commodities in a particular month as observed from the Table 1. Accordingly, negative or positive growth in commodity is reflected. Among the major import items listed in Table 2, items, viz., Melamine products, dry betel nut, clothes and garments are the major traded commodities throughout the months. It may be observed that there is negative growth in the volume of imports of items in the months of April, July, October and December 2016 in correspondence to previous months respectively.

Table 2. Trend of imports from Bangladesh to India via Kalaichar Border Haat (2016)

Month	Items of Imports	Total Value (₹)	Imports (Monthly % growth rate in ₹)
Jan	Melamine products, cloths and garments, dry betel nut and plastic items	875342	0
Feb	Melamine products, cloths and garments, dry betel nut and plastic items	1059050	20.99
Mar	Melamine products, cloths and garments, dry betel nut and plastic items	1408600	33.01
April	Melamine products, cloths and garments, dry betel nut, bakery and plastic items	1031510	-26.77
May	Melamine products, cloths and garments, dry betel nut, bakery and plastic items	1251710	21.35
June	Melamine products, cloths and garments, dry betel nut, bakery and plastic items	1803180	44.06
July	Melamine products, cloths and garments, dry betel nut, bakery and plastic items	1014750	-43.72
Aug	Melamine products, cloths and garments, dry betel nut, bakery and plastic items	1328965	30.96
Sept	Melamine products, cloths and garments, dry betel nut, bakery and plastic items	1503620	13.14
Oct	Melamine products, cloths and garments, dry betel nut, bakery and plastic items	1187880	-21.00
Nov	Melamine products, cloths and garments, dry betel nut, bakery and plastic items	1861100	56.67
Dec	Melamine products, cloths and garments, dry betel nut, bakery and plastic items	1102980	-40.74

Source: Office of the Custom Office LCS, Mahendraganj

It may also be observed that among other items, viz., Melamine products, dry betel nut, clothes and garments, a new item was introduced in the import items list, i.e., bakery products which started from the month of April onwards of 2016. Table 3 depicts the growth of exports of various items from India to Bangladesh over the months for the year 2017. Among the major export items listed in Table 3, it may be observed that in the year 2017, items viz., cumin seeds, betel nut and ginger are exported almost throughout the months, whereas variation in volume of exports of other items like black pepper, tamarind, lemon, wooden apple, lichi, amla etc are on account of their seasonal characteristics as the produce of such commodities are restricted to particular seasons only.

Among seasonal commodities, viz., orange was restricted during the months of January and February, simlaalu during the months of January to April, drumstick during the months of March and April, mango and litchi during the months of April, May and June, whereas lemon during the months of September, October, November and December. During the months of October, November and December of 2017 (Table 3), it may be observed that there are similar items being exported viz., Cumin seeds, betel nuts, lemon, Tezpata, ginger, rice bags, spade and axe. However, on account of variation in the supply of such commodities procured by vendors from different quarters, there is variation in the quantity exported amongst these items. As a result there is negative growth in the months of (March, April, July, September and December of 2017) and positive growth of these items during the remaining months of the year.

Table 3. Trend of Exports from India to Bangladesh via Kalaichar Border Haat (2017)

Month	Commodities Traded	Total Quantity (Kgs)	Total Amount (₹)	(Monthly % growth rate) Qty.	(Monthly % growth rate₹)
Jan	Cumin seeds, black pepper, orange, simlaalu, rice, tezpata, wooden apple, tamarind, betel nut and ginger	42184	2664835	0	0
Feb	Cumin seeds, black pepper, orange, simlaalu, rice, wooden apple, tezpata, tamarind, betel nut and ginger	59782	6326090	41.72	137.39
Mar	Cumin seeds, black pepper, simlaalu, rice, banana, Drum stick, Tea, tezpata tamarind, betel nut and ginger	49815	9541170	-16.67	50.82
April	Cumin seeds, black pepper, simlaalu, mango, black salt, rice, tezpata, banana, Drum stick, Tea, tamarind, betel nut and ginger	24077	3988895	-51.67	-58.19
May	Cumin seeds, black pepper, mango, litchi, wooden apple, mango, black salt, tezpata, simlaalu, rice, banana, Tea, litchi, jack fruits, pomegranate, betel nut and ginger	47551	5152335	97.50	29.17
June	Cumin seeds, black pepper, rice, banana, litchi, ladka, Jack fruits, Tea, tezpata betel nut and ginger	55173	5339870	16.03	3.64
July	Cumin seeds, betel nuts, amla, lemon, jambura, ladka ginger, rice bags, spade and axe	48345	4804445	-12.38	-10.03
Aug	Cumin seeds, betel nuts, tezpata, jambura lemon, ginger, rice bags, spade and axe	52267	6217735	8.11	29.42
Sept	Cumin seeds, betel nuts, amla, jambura, lemon, ginger, rice bags, spade and axe	32456	3036999	-37.90	-51.16
Oct	Cumin seeds, betel nuts, tezpata, lemon, ginger, rice bags, spade and axe	48670	6153585	49.96	102.62
Nov	Cumin seeds, betel nuts, tezpata, lemon, ginger, rice bags, spade and axe	50564	9529885	3.89	54.87
Dec	Cumin seeds, betel nuts, lemon, Tezpata, ginger, rice bags, spade and axe	47563	7994686	-5.94	-16.11

Source: Office of the Custom Office LCS, Mahendraganj

Table 4 depicts the growth of imports of various items from Bangladesh to India over the months for the year 2017. Among the major import items listed in Table 4, items, viz., Melamine products, dry betel nut, clothes and garments are the major traded commodities throughout the months of 2017.

It may be observed that there is negative growth in the volume of imports of items in the months of April, June, July, August and December 2017 corresponding to previous months respectively, the highest negative trend recorded in the month of June 2017 followed by the months of December, April, August and July 2017 respectively. Bakery products which got recorded as an important import item from the month of April onwards of 2016, was not included in the list of import items in the year 2017 [13,14].

Table 4. Trends of Import from Bangladesh to India via Kalaichar Border Haat (2017)

Month	Items of Imports	Total Value	Imports (Monthly % growth rate in ₹)
Jan	Melamine products, cloths and garments, dry betel nut and plastic items	1505000	0
Feb	Melamine products, cloths and garments, dry betel nut and plastic items	1597535	6.14
Mar	Melamine products, cloths and garments, dry betel nut and plastic items	2577387	0.61
April	Melamine products, cloths and garments, dry betel nut and plastic items	2203370	-14.51
May	Melamine products, cloths and garments,, dry betel nut and plastic items	2331720	5.82
June	Melamine products, cloths and garments, dry betel nut and plastic items	1603230	-31.24
July	Melamine products, cloths and garments, dry betel nut and plastic items	1535345	-4.23
Aug	Melamine products, cloths and garments, dry betel nut and plastic items	1380610	-10.07
Sept	Melamine products, cloths and garments, dry betel nut and plastic items	1487860	7.76
Oct	Melamine products, cloths and garments, dry betel nut and plastic items	1693070	13.79
Nov	Melamine products, cloths and garments, dry betel nut and plastic items	2620480	54.77
Dec	Melamine products, cloths and garments, dry betel nut and plastic items	1916720	-26.85

Source: Office of the Custom Office LCS, Mahendraganj

6. Conclusion

Kalaichar border Haat remains an important link for the local people in the border district of South-West Garo Hills of Meghalaya. From the present study we find that the quantity of the commodities being transacted in the border Haat is directly proportional to the quantity of supply of such commodities in the hands of the vendor of either side of India and Bangladesh. The volume of export or import is directly determined by the quantity of supply of commodities. More the quantity of commodities being supplied, the volume of export or import of commodities stands positive and vice-versa. The major items being imported from Bangladesh to India through Kalaichar border Haat are melamine and plastic products and clothes. The major items exported from India are the seasonal agricultural produce. However, as per the MoU signed between the two countries, only locally produced agriculture commodities are supposed to be traded. But, among the traded commodities, cumin seeds account for the highest volume in the export list from Indian side, which is however not a locally produced item but still being traded in large volume. This phenomenon remains an interesting point for deliberation. However, the functioning of Kalaichar border Haat continues to play a significant role in providing livelihood to the people of border areas.

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