

**MEMORANDUM OF UNDERSTANDING
ON USE OF INLAND WATERWAYS FOR TRANSPORTATION OF
BILATERAL TRADE AND TRANSIT CARGOES BETWEEN
THE ROYAL GOVERNMENT OF BHUTAN
AND
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH**

Preamble

This Memorandum of Understanding (MOU) sets for the terms and understanding between The Government of the People's Republic of Bangladesh represented by the Ministry of Shipping and The Royal Government of Bhutan represented by Ministry of Economic Affairs (hereinafter referred as the 'Parties') to take forward the existing friendly relations and strengthen peaceful and mutual cooperation in the field of Cargo transportation through waterways and sea routes of Bangladesh.

RECALLING the Trade Agreement between Bangladesh and Bhutan of 06 December 2014, Protocol on Transit and Trade between Bangladesh and India of 11 November 1972 (a renewed on 06 June 2015), World Trade Organization, General Agreement on Tariffs and trade 1947, UN Convention on Transit trade of Landlocked states 1965 and common values of both the Parties;

DESIRING to make reciprocally beneficial arrangements for enhancing inter country and cross-border trade with an aim at promoting regional, sub-regional and bi-lateral connectivity and economic cooperation which will generate new economic opportunity that encourages sustainable and inclusive development through employment generation;

IDENTIFYING the need of a landlocked country to have an access to the sea as the freedom of transit and as Bangladesh agrees to allow export-import cargo of Bhutan to be handled at maritime ports of Chittagong and Mongla in Bangladesh and same will be transited to the identified destinations in Bhutan through the waterways in Bangladesh;

RECOGNIZING both parties will make separate arrangements for smooth flow of goods transshipment through Indian territory.

Have reached the following understanding:

Article 1

Purpose

This MoU will promote sustainable trade, investment and economic cooperation in both countries. It will also help to strengthen peaceful and mutual cooperation in the field of Cargo transportation through waterways and sea routes of Bangladesh. It will encourage both the Parties to facilitate the development of appropriate infrastructure, use of seaports, multimodal transportation and standardization of means of transport for bilateral as well as sub-regional usage.

Article 2

Definition

- 2.1 The term "vessel" shall mean any inland, coastal and ocean-going merchant vessel registered in accordance with the national legislations of either Contracting Parties and sailing under its flag.

- 2.2 The term “member of the crew” shall mean any person who is actually employed on board the vessel of any of the Contracting parties, and holding the identity document as provided for in Article 6 and whose name is included in the crew list of the vessel.
- 2.3 The term “Competent Authorities” shall mean the Ministry of Shipping, Government of Bangladesh and Ministry of Economic Affairs, the Royal Government of Bhutan.
- 2.4. The term “Shipping Companies” shall mean the Shipping Companies registered under the national laws of the Contracting Parties.
- 2.5. The terms “BIWTA” shall mean Bangladesh Inland Water Transport Authority established under Ordinance No. LXXV of 1958 responsible for managing development and maintenance of inland water transport system in Bangladesh.
- 2.6 The terms “Cargo” shall mean all articles, goods, materials, merchandise or wares carried onboard a ship, train/rail or truck and for which bill of lading or other receipt issued by the carrier.

Article 3

Entry of Vessels and crew members

To enhance cooperation in facilitation of trade and commerce between the two Parties and for passage of export-import goods of Bhutan between maritime ports of Bangladesh and destinations in Bhutan through the waterways of Bangladesh both Parties agree to the following:

- 3.1 The Parties agree for Cargo transportation through waterways and sea routes of Bangladesh. The Cargo and crew members after completion of the customs and immigration formalities will be allowed to embark and disembark at identified coastal and inland ports in Bangladesh which is to be decided mutually by the Joint Technical Committee.
- 3.2 Chittagong Port Authority and Mongla Port Authority in Bangladesh will provide services to international sea-borne trade of Bhutan. Relevant fees/charges will be applicable for such services as per the domestic and relevant international laws and conventions. Bangladesh and Bhutan vessels will be used for transport of transit and bilateral trade cargos between the Parties.

Article 4

Port of Call and Routes

Port of call and route may be refixed upon mutual discussion by the Joint Technical Committee in writing.

- 4.1 For loading and unloading of cargo of bilateral trade, Narayanganj river port will be selected primarily as the Port of Call.
- 4.2 The following routes will be considered as Coastal and Inland Water Transport routes:
1. Chittagong- Chandpur-Mawa-Aricha-Sirajganj-Chilmari-Daikhawa
 2. Mongla-Kawkhali-Barisal-Chandpur-Mawa-Aricha-Sirajganj-Chilmari-Daikhawa

Article 5

Issuance of Visas

The crews travelling on these routes shall have to possess valid passport and visas for travel. Crew members shall have to possess valid passport/visas or certificate of employment and permits with a photograph of the concerned individual duly authenticated by the authorities to be nominated by the respective countries in regard to their personnel.

Article 6

Customs and Immigration

Customs, immigration and other formalities for the movement of cargo crews and their accompanied baggage under this MoU will be made as simple as possible subject to the existing rules, regulations and procedures in their respective ports.

Article 7

Legal and Administrative Processing

The Cargo vessels and crew of one Party whilst in the Coastal or Protocol route of the other Party shall be subject to the respective national laws and regulations of the latter Party specially the laws and regulations concerning navigation and safety as well as public order, fiscal, customs, immigration, health veterinary and sanitary controls as well as laws and regulations concerning human and drug trafficking. Each Party reserves the right to reject entry into its territory of any person whose entry is considered undesirable without any liability thereof the party concerned.

Article 8

Recognition of Certificates

The nationality, measuring and safety certificates, as well as other shipping documents issued by the respective Competent Authority in accordance with the requirement of the respective national laws shall be recognized by the relevant authorities of the other country. Minimum safety check shall be applicable by the Contracting Parties in order to verify the safety standards of the vessels calling at their ports, without hampering the cargo operation or causing delay to the vessel.

Article 9

Mode of Transport

Mode of transport will be multimodal, which will be consisting of water transport, road and rail transport depending on the convenience of transportation.

The Contracting Parties shall co-operate and assist each others for the development of trade and transportation of goods between the Contracting Countries and to this end they agree:

1. The Shipping Companies of the Contracting Parties shall participate in the transportation of sea borne cargo to and from the ports of the Contracting Parties through their own or chartered Vessels on the basis of mutual benefits regardless of the mode of contract (FOB, CF&F and CIF etc.)
2. The Shipping Companies of either Contracting Parties shall be allowed to participate in the transportation of inward or outward cargo to and from the ports of any third country.



Article 10

Insurance of Vessels

The vessels plying through or between the two countries under this MoU on the designated route shall carry certificate of insurance with limited liability as agreed by both Parties.

Article 11

Equal treatment

Each Contracting Party shall render the same treatment to the other Contracting Party's vessel, their crew and goods on board Truck, Lorries or other means of transport used in transportation of cargo.

Article 12

Facilitation of Trade

Each Contracting Party shall take all necessary measures for facilitating and encouraging the sea or inland water transportation to avoid the unnecessary delay in its port of the vessels sailing under the flag of the other Contracting Party, as well as to speed up and simplify as far as possible the administrative, customs and sanitary formalities in force in its ports.

Article 13

Meetings

Representative of the Competent Authorities of the Contracting Parties and representative of their authorized agencies, may at the request of either Contracting Party, meet at the time and place agreed upon by the Contracting parties to settle the disputes or other issue arising out of the implementation of this MoU through cordial and friendly negotiation.

Article 14

Standard Operating Procedure

For the smooth commercial maritime and inland waterways activities between the two Parties, there shall be Standard Operating Procedure (SOP) to be finalized by the Joint Technical Committee to activate, operate and facilitate this MoU.

Article 15

Settlement of Dispute

If any dispute arises out of interpretation and/or implementation of this MoU shall be resolved amicably between the Parties by negotiations through the Joint Technical Committee. If unresolved, the Parties may refer the dispute to the Commerce Secretary level meeting which is held annually.

Article 16

Joint Technical Committee

A joint Technical Committee will be formed with concerned representatives of both parties, and shall be responsible for efficient implementation of this MoU. This Committee will meet once a year alternately in both countries.

Article 17

Amendment of MoU

This MoU may be amended in writing by mutual consent of the Joint Technical Committee.

Article 18

Termination

Notwithstanding anything contained in this MoU, either Party may terminate this MoU by notifying the other Party of its intention to terminate this MoU a notice in writing through diplomatic channels at least six (6) months prior to its intention to do so. The termination of this MoU shall not affect the implementation of on-going activities which have been agreed upon before the date of the termination of this MoU.

Article 19

Entry into force and validity

This MoU shall come into force from the date of its signing and shall remain valid for period of five years. It shall be automatically extended for a successive period of five years unless terminated earlier and may be renewed by mutual consent in writing.

Signed in duplicate in English Language in the city of Thimphu on 18th April 2017, both being equally authentic.

For the Royal Government of Bhutan

For the Government of the People's
Republic of Bangladesh

.....
Secretary
Ministry of Economic Affairs

..... 18.04.2017
Senior Secretary
Prime Minister's Office